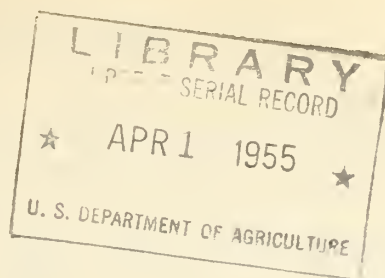


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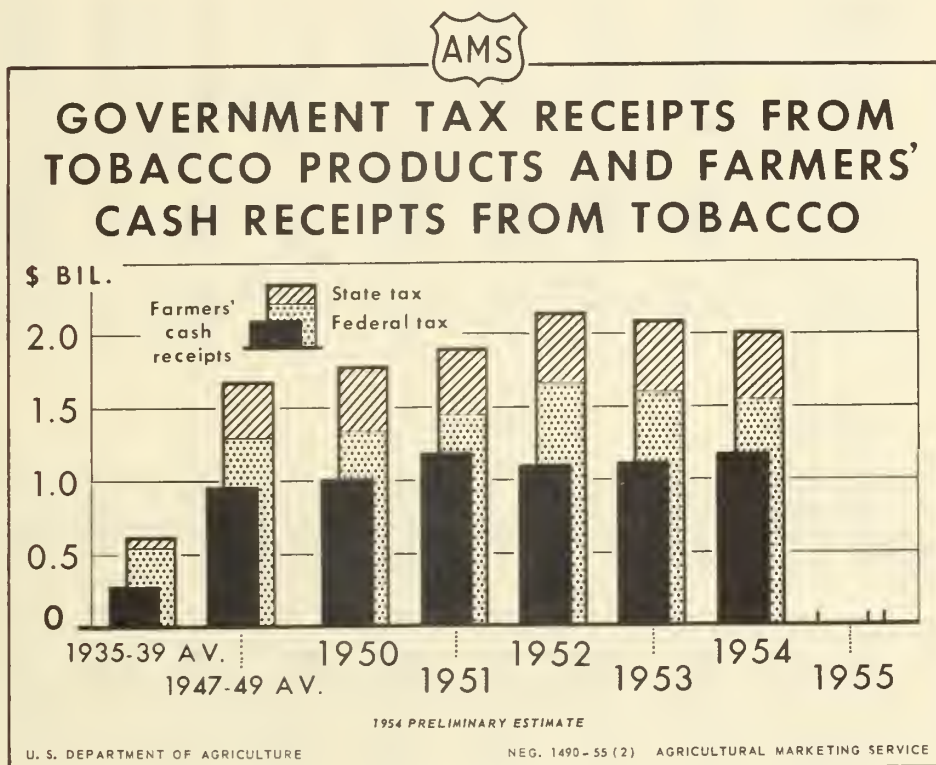
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2 The TOBACCO SITUATION

TS-71



FOR RELEASE
MAR. 10, P. M.
1955



Federal and State tax collections from tobacco products in 1954 at near 2,020 million dollars were 3/4 more than cash receipts to growers from leaf tobacco. The decline in cigarette consumption mainly accounted for 1954 tobacco taxes dropping 4 percent from 1953 and 6 percent from the record 1952 figure. Growers grew and delivered more tobacco in 1954 than in 1953

and their cash receipts at about 1,160 million dollars were 6 percent more than a year earlier. Under existing law, the Federal tax of 8 cents per pack of 20 cigarettes automatically reverts to 7 cents per pack (the pre-November 1951 rate) on April 1, 1955, but the President has recommended that Congress extend the 8-cent tax rate for another year.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE

STATISTICAL SUMMARY

Item	Unit or base period	1953				1954				Last data available as per- centage of a year earlier
		Sept.	Oct.	Nov.	Dec.	Sept.	Oct.	Nov.	Dec.	
Average prices at auctions										
Flue-cured	Cents per lb.	57.8	53.4	41.5	33.2	53.7	53.2	51.0	44.2	133
Burley	Cents per lb.	C-1-o-s-e-d		56.0	53.5	C-1-o-s-e-d		52.8	50.8	95
Maryland	Cents per lb.		C - 1 - o - e - e - d				C - 1 - o - e - e - d			---
Fire-cured	Cents per lb.	C-1-o-s-e-d		32.4	34.8	C-1-o-s-e-d		34.6	34.2	98
Dark air-cured (35-36)	Cents per lb.	C - 1 - o - e - e - d			27.0	C - 1 - o - s - e - d			33.8	125
Virginia sun-cured (37)	Cents per lb.	C - 1 - o - e - e - d			32.0	C-1-o-s-e-d		31.9	32.3	101
Parity prices										
Flue-cured	Cents per lb.	52.6	52.4	52.6	52.8	52.7	52.5	52.5	52.5	99
Burley	Cents per lb.	51.2	51.1	51.2	51.4	51.1	50.8	50.8	50.8	99
Maryland	Cents per lb.	55.4	55.2	55.4	55.6	53.5	53.3	53.3	53.3	96
Fire-cured	Cents per lb.	34.1	33.9	34.1	34.2	34.4	34.3	34.3	34.3	100
Dark air-cured (35-36)	Cents per lb.	29.9	29.8	29.9	30.0	29.1	29.0	29.0	29.0	97
Virginia sun-cured (37)	Cents per lb.	35.2	35.1	35.2	35.3	34.2	34.0	34.0	34.0	96
Parity index 1/										
	1910-14=100	277	276	277	278	280	279	279	279	100
Tax-paid removals										
Cigarettes, small	Billion	33.6	34.9	30.3	29.1	32.0	31.6	29.7	26.7	92
Cigars, large	Million	519	540	548	444	503	501	573	426	96
Chewing and smoking	Mill. lb.	14.8	15.9	13.1	11.4	15.1	14.2	13.8	11.5	101
Snuff	Mill. lb.	3.3	3.3	3.1	3.4	3.4	3.1	3.2	3.1	91
Accumulated from Jan. 1										
Cigarettes, small	Billion	292	327	357	386	281	312	342	369	96
Cigars, large	Million	4,286	4,826	5,373	5,817	4,190	4,691	5,265	5,691	98
Chewing and smoking	Mill. lb.	125	141	154	165	121	135	149	161	98
Snuff	Mill. lb.	29	32	35	39	29	32	35	39	100
Tax-free removals										
Cigarettes, small	Billion	4	3	4	4	3	2	3	3	75
Cigars, large	Million	8	6	7	12	6	8	8	7	58
Chewing and smoking	Mill. lb.	.6	.3	.3	.4	.3	.5	.4	.4	100
Accumulated from Jan. 1										
Cigarettes, small	Billion	27	30	33	37	25	27	30	33	89
Cigars, large	Million	65	71	78	90	66	74	82	90	100
Chewing and smoking	Mill. lb.	3.1	3.4	3.7	4.1	3.5	4.0	4.4	4.8	117
Disposable personal income 2/										
	Bil. dol.	251.2			251.2	253.2			255.9	102
Index of industrial production (revised) 3/										
	1947-49=100	133	132	129	126	124	126	129	130	103
Employment										
Labor force employed	Million	62.3	62.2	61.9	60.8	62.1	62.1	61.7	60.7	100
	Percent	98.0	98.2	97.7	97.0	95.2	95.8	95.5	95.5	98
Exports (farm-sales wt.)										
Flue-cured	Mill. lb.	71.3	56.5	54.1	68.3	46.4	102.5	57.8	37.8	55
Burley	Mill. lb.	1.4	2.0	1.3	4.2	1.3	2.3	2.3	1.8	43
Maryland	Mill. lb.	.9	.7	.9	.3	1.4	.7	1.0	1.1	367
Fire-cured	Mill. lb.	2.4	2.5	2.3	3.2	1.0	3.1	3.1	1.8	56
Dark air-cured	Mill. lb.	.6	.8	.3	.9	.4	1.1	.6	.8	89
Cigar	Mill. lb.	.5	.6	.7	.7	.7	.4	.8	.6	86
Accumulated from begin- ning of marketing yr. 4/										
Flue-cured	Mill. lb.	122.0	178.5	232.6	300.9	93.0	195.5	253.4	291.1	97
Burley	Mill. lb.	28.9	2.0	3.3	7.4	34.6	2.3	4.6	6.4	86
Maryland	Mill. lb.	7.8	.7	1.6	1.9	8.0	.7	1.8	2.9	153
Fire-cured	Mill. lb.	29.2	2.5	4.8	8.0	28.3	3.1	6.2	8.0	100
Dark air-cured	Mill. lb.	6.6	.8	1.1	1.9	7.1	1.1	1.7	2.4	126
Cigar filler and binder	Mill. lb.	4.5	.3	.5	.9	2.3	.2	.4	.7	78
Cigar wrapper	Mill. lb.	1.0	1.3	1.7	2.1	1.1	1.3	1.9	2.2	105
General imports, all commodities										
	Mill. dol.	926	813	849	907	781	764	839	942	104
Accumulated from Jan. 1	Mill. dol.	8,304	9,118	9,967	10,873	7,663	8,426	9,265	10,207	94
Sterling area gold and dollar reserves 5/										
	Mill. dol.	2,486	2,520	2,561	2,518	2,901	2,936	2,925	2,762	110
Stocks of domestic types (farm-sales weight) 6/										
				Jan. 1, 1954				Jan. 1, 1955		
Flue-cured	Mill. lb.		2,240	2,411			2,267	2,553		106
Burley	Mill. lb.		1,163	1,308			1,198	1,437		110
Maryland	Mill. lb.		73	65			77	68		105
Fire-cured	Mill. lb.		146	135			134	124		92
Dark air-cured	Mill. lb.		78	75			76	84		112
Cigar, filler	Mill. lb.		194	167			179	158		95
Cigar, binder	Mill. lb.		124	126			120	117		93
Cigar, wrapper	Mill. lb.		22	26			22	26		100

1/ Prices paid, interest, taxes, and farm wage rates. 2/ Annual rate, seasonally adjusted. 3/ Adjusted for seasonal variation.
 4/ July 1 for flue-cured and cigar wrapper and October 1 for other types. 5/ Held in London. 6/ Dealers' and manufacturers' holdings in United States and Puerto Rico on first day of quarter.

T H E T O B A C C O S I T U A T I O N

Approved by the Outlook and Situation Board, March 2, 1955

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SUMMARY

Manufacture of tobacco products in the United States is expected to absorb approximately the same quantities of leaf during the 1954-55 marketing year as in 1953-54. Exports of unmanufactured tobacco in 1954-55 probably will exceed those in 1953-54 by 5 percent or more.

In the 1955 calendar year, cigarette consumption is expected to be fairly near the level of 1954 with king size and filter tip cigarettes likely to gain a greater share of the market. Total output of cigarettes in 1954 was 402 billion--5 percent lower than in 1953 and nearly 8 percent below the record 1952 level. Tax data for many States indicate that the reduction in cigarette consumption from the last half of 1953 to the last half of 1954 was widespread. Probably contributing to the moderate decline in the last 2 years were the higher prices, publicity concerning cigarettes and health, and possibly a reduction in the number of cigarettes smoked daily by those who switched from regular to king size. Also, in 1954 income in some areas was lower than in 1953, though for the country as a whole, per capita disposable income (adjusted for price changes) in 1954 averaged less than 1 percent below 1953.

The number of cigars and quantity of smoking tobacco manufactured in 1955 are expected to be about the same as in 1954. Cigar output (including Puerto Rico) totaled a little over 6 billion in 1954--1 1/2 percent less than in 1953 but up a little from 1952. Smoking tobacco output at nearly 84 million pounds was 3 percent below 1953 and 13 1/2 percent below 1952. During the last half of 1954, however, smoking tobacco output ran slightly higher than during the same period of 1953.

Output of chewing tobacco in 1955 seems likely to continue the gradual longtime downward trend. Output of last year was 81 million pounds, 2 percent below 1953 and 4 percent below 1952. Snuff output and consumption are expected to continue stable. Close to 38 1/2 million pounds were manufactured in both 1953 and 1954.

Supplies of flue-cured and Burley for 1954-55, at 3,249 and 1,863 million pounds, are 4 and 8 percent larger than for 1953-54. Supplies of Burley are especially large, mainly due to the record 1954 crop. The 1954-55 supplies of Maryland tobacco, the dark air-cured types, and the shade-grown cigar wrapper are larger than for 1953-54 but those of the cigar filler and cigar binder types are smaller. The total supply of fire-cured tobacco is approximately the same as for 1953-54. The marketing year ends June 30 for flue-cured and cigar wrapper tobacco and September 30 for all other types.

The great bulk of the 1954 tobacco crop has been marketed with the exception of Maryland tobacco, which is usually marketed in the spring and summer of the year after it is produced. The 1954 flue-cured crop brought an average of 52.7 cents per pound--practically the same as for 1953--although there were some significant differences for individual belts. The very large 1954 Burley crop averaged near 49.6 cents per pound--5 percent less than the previous season. A record proportion (about one-third) of the Burley deliveries went into Government loan stocks under the price support program. Prices of Kentucky-Tennessee fire-cured and dark air-cured tobacco averaged higher than in the 1953 season when these crops contained much poor quality leaf.

Acreage allotments for 1955 are smaller than for 1954 for flue-cured, Burley, fire-cured, and dark air-cured tobacco. Tobacco subcommittees of the Senate and House Agriculture Committees are holding hearings to consider mainly the oversupply of Burley and possible changes that may be needed in legislation. For the cigar filler and binder (types 42-44 and 51-55), acreage allotted is a little more than in 1954. Acreage allotments are not in effect on other types.

The 1955 Government price support for flue-cured, Burley, and the cigar filler and binder (types 42-44 and 51-55) will be 90 percent of the applicable parity prices. As provided by law, the 1955 price supports for fire-cured will be calculated at 75 percent and for dark air-cured and sun-cured, at 66 2/3 percent of the Burley support level. Price supports are not in effect on any other types except Puerto Rican, for which the support price will be announced in October.

Calendar 1955 exports of unmanufactured tobacco probably will exceed last year's total of 452 million pounds which was valued at 303 million dollars. The 1954 volume was 13 percent lower than the 1953 figure which was boosted by shipments deferred from 1952. The 1955 exports of tobacco will be assisted by operations under Public Law 480, which provides for acceptance of foreign currencies for surplus commodities sold in excess of usual marketings. Flue-cured tobacco production in Canada and Southern Rhodesia in 1954 set new records and is offering increasing competition in markets abroad.

TOBACCO PRODUCTS

Cigarettes

Cigarette output at 402 billion in 1954 was 5 percent lower than in 1953 and nearly 6 percent below the record 1952 level. Domestic consumption, as indicated by tax-paid removals, accounted for almost 92 percent of the output. The remaining 8 percent was in the tax-free category which went mainly to overseas forces and as commercial exports to foreign countries. The 1954 domestic consumption at 369 billion was 4.7 percent lower than in 1953 and the tax-free category at 33 billion declined 10.3 percent. Private estimates indicate that over 28 percent of the domestically consumed cigarettes were king size, non-filter tips--an increase of 45 percent since 1952. Also, these estimates indicated that filter tip cigarettes (both regular and king size) accounted for about 10 percent of the total domestic consumption--about seven times as many as in 1952.

Table 1.- Cigarettes: Output, domestic consumption, and exports, for specified periods

Period	Total output	Domestic consumption: 1/	Tax-free removals 2/	
			Total	Exports
	Billions	Billions	Billions	Billions
Average:				
1935-39	164.2	157.0	7.2	5.5
1940-44	256.9	223.5	33.3	5.8
1945	332.2	267.2	65.0	6.9
1946	350.0	321.7	30.7	24.1
1947	369.7	335.4	34.3	22.8
1948	386.8	348.5	38.7	25.2
1949	385.0	351.8	33.2	19.5
1950	392.0	360.2	31.8	14.3
1951	418.8	379.7	38.9	16.8
1952	435.5	394.1	40.9	16.4
1953	423.1	386.8	37.0	16.2
1954	401.9	368.6	33.2	15.4
July-December 1953	211.5	192.5	19.6	7.8
July-December 1954	199.8	183.4	17.2	7.7

1/ As indicated by tax-paid removals. 2/ In addition to exports, tax-free removals include principally shipments to forces overseas, to United States possessions, and ships' stores.

Compiled from reports of the United States Treasury and Commerce Departments.

Cigarette consumption in this country was at a peak in the last half of 1952 and has declined since. The decrease in pounds of tobacco was smaller because of the increased proportion of cigarettes that were extra length or king size. King size, non-filter tip cigarettes require probably 17 percent more tobacco than regular size. The king size, filter tip cigarettes apparently take about the same quantity of tobacco as the regular size. Therefore, the increased number of king size, filter tip cigarettes produced in 1954 did not require any more tobacco than an equal number of regular size. There may be some tendency to smoke fewer of the extra length cigarettes per day than the regular size.

During the first quarter of 1953 (and perhaps, to some extent, in late 1952), tax-paid removals were larger than normal since distributors were expecting the price increase which was announced by major companies in late February. On the average, the increase at the retail level was 1 cent per pack. The stocking-up in the first quarter of 1953 and the consequent smaller removals in the second quarter of 1953 lessen the validity of comparisons with data for these periods in other years.

The number of cigarettes consumed during the second half of 1954 dropped 4.7 percent below the same period of 1953 and was 9.5 percent below the peak second half of 1952. In 1954 prices for most brands were similar to those in the second half of 1953 but above those of 1952. However, smokers switching to some king size brands and all filter tips paid more per pack than the prices of regular sized cigarettes. In some areas, advances in State or local tax rates increased the retail price. For the country as a whole, per capita disposable income (adjusted for price changes) averaged 0.8 percent lower in 1954 than in 1953 but 2.2 percent higher than in 1952.

Tax data for the cigarette taxing States indicate that the drop in cigarette consumption from the second half of 1953 to the second half of 1954 was widespread. Out of 41 taxing States and the District of Columbia, 38 showed declines ranging mostly between 2 and 6 percent. The considerable publicity concerning cigarette smoking and health during the recent year or two is believed to have been partly responsible for the lower cigarette consumption. In the United Kingdom and Canada, however, cigarette consumption in most of 1954 was greater than in 1953.

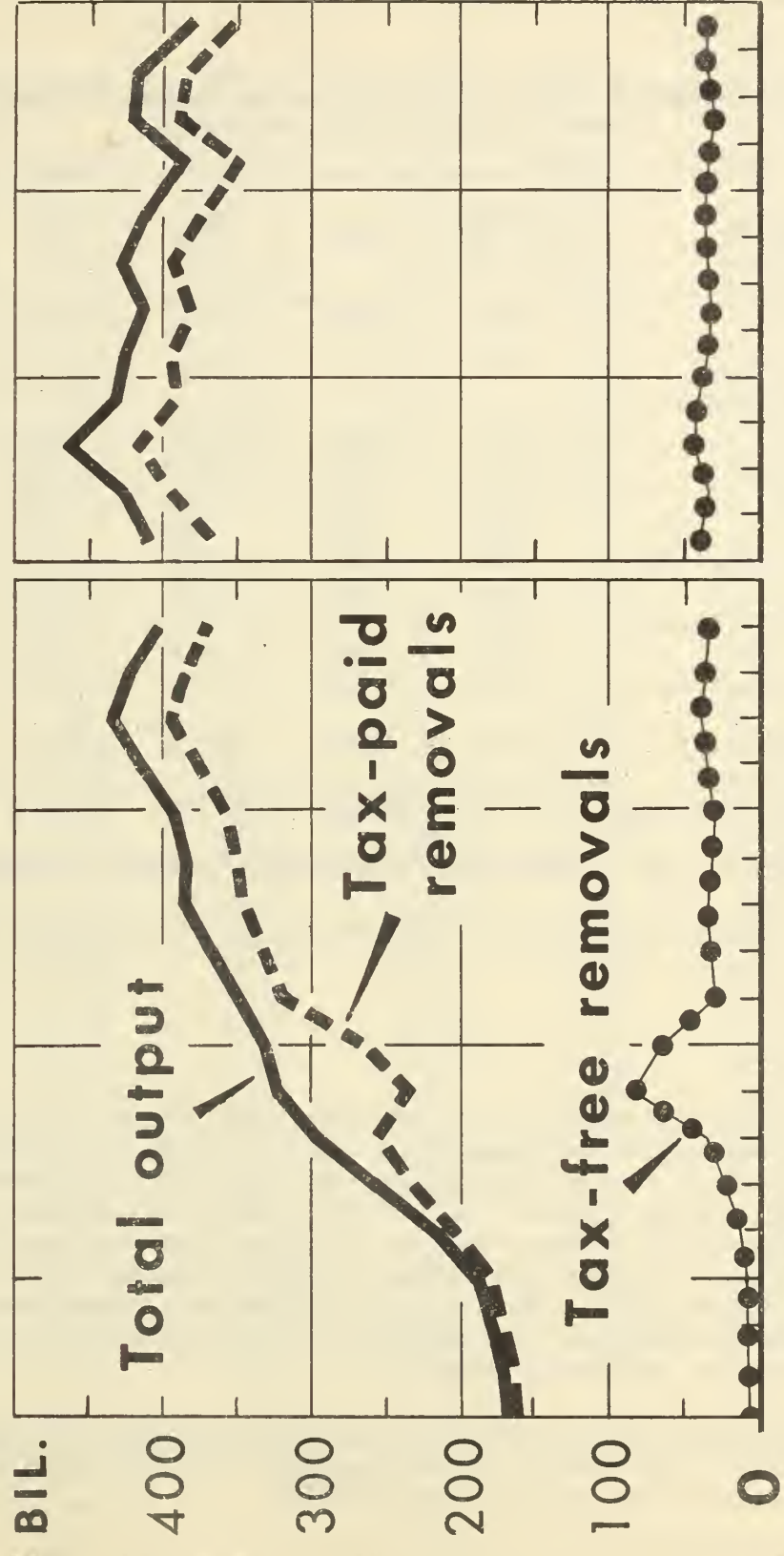
The changing age distribution of the population also is affecting cigarette consumption. The population 15 years and over is increasing about 1 percent per year but most of the increase is in the teen-age brackets and in the 45 years and over group. Cigarette smoking probably tends to be lighter within these age groups than for those between 20-44 years of age. According to census projections, the number in the 20-44-age group will change very little in the next few years.

For 1955, cigarette consumption seems likely to be fairly near the level of 1954. The filter tip and king size categories probably will gain an ever greater share of the market. Employment and incomes are expected to be at favorable levels. Proposals for new cigarette taxes or advances in existing rates in some States would, if enacted, raise retail prices in those areas. The President has recommended that Congress extend the 8-cent tax per pack on cigarettes for another year instead of permitting it to revert to 7 cents on April 1, 1955, as provided by existing law.

CIGARETTE OUTPUT AND USE

BY YEARS

BY QUARTERS *



* ANNUAL RATE

Exports of cigarettes in 1954 totaled 15.4 billion with a value of 57 million dollars. The volume was 5 percent lower than in 1953 and the second smallest since 1945.

Table 2.- Cigarette exports from the United States, average 1947-51, annual 1952-54, with percentages

Country	Average 1947-51	1952	1953	1954	1954 as percentage of 1953
	Mil.	Mil.	Mil.	Mil.	Pct.
Venezuela	984	1,570	1,411	1,541	109
Tangier and French Morocco	1,207	2,271	2,036	1,504	74
Belguim	1,152	814	958	848	89
Hong Kong	1,104	710	948	721	76
Sweden	640	654	838	690	82
Panama and Canal Zone	643	817	833	684	82
France	215	552	692	630	91
Netherlands Antilles	1,002	846	743	544	73
Columbia	324	261	316	530	168
Philippine Republic	6,276	693	435	503	116
Other countries <u>2/</u>	6,107	6,864	7,039	7,233	103
Total all countries	19,659	16,352	16,249	15,428	95

1/ Preliminary. 2/ Includes approximately 90 foreign destinations.

Compiled from publications and records of the United States Department of Commerce.

Cigars

In 1954 the total output of cigars from domestic factories and bonded manufacturing warehouses plus those shipped to the United States from Puerto Rico totaled around 6,065 million--about $1\frac{1}{2}$ percent less than in 1953 but nearly 1 percent above 1952. The 1954 quantity from Puerto Rico was four to five times that of a year earlier and came mainly from the new plant there that only began sizable shipments in late 1953. Imports of cigars totaled 16.2 million--3.6 percent lower than in 1953. Fewer came in from Cuba, the major source of imports, but more were imported from the Philippine Republic.

The great bulk of domestically produced cigars are consumed in this country. The tax-free category--90 million--were mostly shipped to overseas forces and exported commercially.

Table 3.- Tobacco products: Consumption per capita 15 years and over in the United States and by overseas forces, 1920-54

Year	Cigarettes	Cigars 1/	Cigarettes 2/	Cigars 2/	Smoking, chewing, and snuff 2/	Total tobacco products 2/
	Number	Number	Pounds	Pounds	Pounds	Pounds
1920	611	117.2	1.89	2.45	4.33	8.67
1921	681	94.0	2.07	2.00	4.14	8.21
1922	707	96.1	2.14	2.16	4.28	8.58
1923	836	96.4	2.51	2.21	4.26	8.98
1924	901	89.0	2.69	2.06	4.06	8.81
1925	996	86.7	2.96	1.99	4.03	8.98
1926	1,093	85.2	3.17	1.99	3.87	9.03
1927	1,174	82.9	3.42	1.93	3.61	8.96
1928	1,255	80.6	3.58	1.91	3.44	8.93
1929	1,381	79.9	3.91	1.86	3.44	9.21
1930	1,365	71.6	3.84	1.67	3.34	8.85
1931	1,287	64.3	3.63	1.53	3.29	8.45
1932	1,147	52.4	3.21	1.24	3.19	7.64
1933	1,230	50.8	3.49	1.23	3.07	7.79
1934	1,368	53.0	3.94	1.29	3.11	8.34
1935	1,442	53.8	4.11	1.30	2.80	8.21
1936	1,618	57.3	4.61	1.40	2.81	8.82
1937	1,704	57.8	4.81	1.40	2.74	8.95
1938	1,687	55.5	4.76	1.31	2.68	8.75
1939	1,754	55.9	4.95	1.32	2.56	8.83
1940	1,824	56.3	5.16	1.36	2.60	9.12
1941	2,065	58.8	5.95	1.42	2.41	9.78
1942	2,393	58.6	7.01	1.41	2.27	10.69
1943	2,745	52.4	7.99	1.28	2.19	11.46
1944	2,831	49.2	8.04	1.22	1.96	11.22
1945	3,222	52.2	9.15	1.26	2.05	12.46
1946	3,230	56.1	9.24	1.37	1.59	12.20
1947	3,202	52.3	9.16	1.29	1.50	11.95
1948	3,292	53.0	9.35	1.31	1.46	12.12
1949	3,274	50.8	9.33	1.16	1.44	11.93
1950	3,320	50.1	9.36	1.18	1.42	11.96
1951	3,527	51.3	9.98	1.19	1.31	12.48
1952	3,661	53.2	10.41	1.26	1.25	12.92
1953 3/	3,560	53.5	10.45	1.26	1.18	12.89
1954 3/	3,370	52.6	9.93	1.24	1.14	12.31

1/ Weighing more than 3 pounds per 1,000 including cigarillos.

2/ Unstemmed-processing weight.

3/ Preliminary.

Note: Data are not available to adjust for quantities lost, destroyed, bartered, etc., under war and postwar conditions but such adjustments probably would be small in relation to totals.

Table 4.- Cigars 1/: Output and domestic consumption for specified periods

Period	Domestic factories			Bonded manu- facturing: ware- houses	Imports for consumption			From Puerto Rico: Tax- paid with- drawals in United States
	Total output	Tax-paid removals	Tax-free removals	Tax-paid removals	Total	From Philip- pines	From Cuba	
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
Average:								
1935-39	5,075	5,060	13	66	192.4	189.2	3.0	27.4
1940-44	5,450	5,282	199	105	93.7	78.4	15.3	11.6
1945	5,275	4,774	469	82	60.0	0	59.8	85.3
1946	5,618	5,621	26	125	22.2	2.0	20.1	77.8
1947	5,488	5,460	41	124	12.5	3.2	9.1	6.2
1948	5,645	5,588	38	140	11.8	1.4	10.3	5.0
1949	5,453	5,399	46	142	10.9	.6	10.2	4.6
1950	5,399	5,365	47	158	11.9	.7	11.1	.7
1951	5,594	5,518	85	171	14.3	1.3	13.0	.7
1952	5,825	5,752	101	184	14.6	1.9	12.5	1.9
1953	5,945	5,817	90	<u>2</u> / 200	16.8	2.9	13.4	9.9
1954	5,818	5,691	90	<u>2</u> / 200	16.2	3.6	12.3	<u>2</u> / 47.0
July- Dec. 1953	2,945	3,012	52	<u>3</u> /	9.9	1.5	8.0	8.2
July- Dec. 1954	2,914	2,966	41	<u>3</u> /	9.9	1.9	7.7	<u>2</u> / 25.0

1/ Weighing over 3 pounds per 1,000 and including cigarillos. 2/ Estimated.

3/ Not available.

Basic data but not estimates compiled from reports of the Internal Revenue Service and the United States Department of Commerce.

Cigar consumption in 1955 seems likely to continue at least at the 6-billion level. Income and employment are expected to continue at favorable levels.

For 1954, indications are that sales of cigars in the most popular price group (8.1 to 15.0 cents each) declined about 3 percent from 1953 while those in the second most popular group (4.1 to 6.0 cents each) gained about 1½ percent. These two price classes accounted for about 42 and 38 percent of all cigars sold in 1954. In the intermediate price group (6.1 to 8.0 cents), which comprises about 10 percent of total cigars, the number declined around 9 percent from 1953 to 1954. The number of higher-priced cigars (over 15 cents), accounting for more than 6 percent of the total, was approximately the same in 1954 as in 1953. The low-priced cigars (4 cents and less), accounting for the remaining 4 percent, gained a little.

Manufacturers' prices as indicated by the Bureau of Labor Statistics indexes were stable during 1954. There was a slight advance in "low"-priced cigars in mid-1954 but the "popular"-, "medium"-, and "high"-priced categories were unchanged. In mid-1953, manufacturers' prices for the "medium" group rose nearly 2 percent and for the "high"-priced group about 1 percent. There has been no change in prices for the "popular"-priced group since the 2.6 percent increase early in the last half of 1952.

The 1954 commercial exports of cigars totaled about 8 $\frac{1}{4}$ million with a value of \$386,000. The number exported was 30 percent higher than in 1953 and the most since 1948.

Smoking Tobacco

The 1954 output of smoking tobacco, primarily for pipes and "roll-your-own" cigarettes, was nearly 84 million pounds--3 percent less than in 1953 and 13 $\frac{1}{2}$ percent lower than 1952. All of the drop in smoking tobacco manufacture from 1953 occurred during the first half of 1954. In the last half, output was 1 $\frac{1}{3}$ percent higher than in the same period of 1953. In 1955, the output of smoking tobacco is expected to be about as large as in 1954. Smoking tobacco for pipes probably will be as much as or more than in 1954 but smoking tobacco for "roll-your-own" cigarettes seems likely to continue to decline. Tax collections on cigarette papers for "roll-your-own" cigarettes for January-November 1954 indicated a decline of about 4 percent from a year earlier and 8 percent from 2 years earlier. Current data on tax free cigarette papers are not available. (Cigarette papers distributed in packets of 25 or less are tax-free.)

Manufacturers' prices of smoking tobacco have fluctuated only 1 or 2 percent in the last 4 years. Prices paid by farmers for smoking tobacco also showed little change in the last 3 or 4 years.

Exports of packaged smoking tobacco in 1954 totaled about 572,000 pounds at a declared value of \$624,000. The quantity exported was 10 percent lower than in 1953.

Exports of smoking tobacco in bulk totaled about 4,645,000 pounds at a declared value of \$3,357,000. The volume was only slightly less than the record 1953 total. Included in the bulk smoking tobacco classification are cigarette tobacco (especially prepared), cut or granulated tobacco, partially processed blended tobacco, and shredded tobacco. Spain was the leading outlet, taking 38 percent more than in 1953. Much less went to the Philippines and Mexico than a year earlier but more went to Australia. Other sizable outlets were Bolivia, Haiti, Dominican Republic, and Panama.

Survey of Smoking

In February the Census Bureau conducted a special survey of the smoking habits of the population for the United States Public Health Service. This was done by using a supplemental form in connection with the

regular monthly current population survey that gathers data on the labor force, employment, unemployment and other information. The smoking survey will provide data on the extent to which various subgroups in the population now smoke or have previously smoked cigarettes, cigars, or pipes. Questions are included on the rates of smoking. The tabulated data will provide much information not heretofore available on smoking according to sex, age groups, occupation, and other characteristics.

Table 5.- Output of manufactured tobacco in the United States
for specified periods

Period	Smoking	Chewing					Snuff
		Plug	Twist	Fine-cut	Scrap	Total	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average:							
1935-39	195.3	56.8	6.0	4.8	43.8	111.4	37.3
1940-44	176.2	54.8	6.0	4.6	47.9	113.3	40.7
1945	168.5	59.7	6.7	4.0	47.7	118.1	43.8
1946	106.4	51.8	5.8	3.8	46.1	107.5	39.4
1947	105.7	47.3	5.2	3.8	42.2	98.5	39.2
1948	107.6	45.3	5.6	3.2	42.1	96.2	40.8
1949	108.1	41.9	5.6	2.8	39.6	89.9	40.9
1950	107.7	40.3	5.5	2.7	39.0	87.5	40.0
1951	101.3	39.9	4.6	2.8	39.1	86.4	39.5
1952	96.8	39.1	4.8	2.8	38.2	84.9	38.7
1953	86.3	38.0	4.6	2.8	37.8	83.2	38.6
1954	83.7	37.0	4.9	3.0	36.6	81.5	38.5
July-Dec. 1953	42.3	18.9	2.2	1.5	19.0	41.6	19.0
July-Dec. 1954	42.8	18.3	2.4	1.5	18.1	40.3	18.5

Compiled from reports of the Internal Revenue Service.

Chewing Tobacco

The 1954 output of chewing tobacco was $81\frac{1}{2}$ million pounds--2 percent less than 1953 and 4 percent below 1952. The gradual downward trend is likely to continue in 1955. Domestic consumption absorbs the great bulk of the output and has been trending downward for many years. The 1954 output was 27 percent below the 1935-39 average and 59 percent below the 1925-29 average. Plug chewing and scrap chewing, each accounting for about 45 percent of the total, declined around 3 percent from 1953 to 1954. Twist (6 percent of the total) and fine-cut (nearly 4 percent of the total) were up 6 and 5 percent from 1953.

According to the Bureau of Labor Statistics index, manufacturers' prices of plug chewing tobacco have been constant for several years.

The 1954 commercial exports of chewing tobacco totaled about 2,118,000 pounds with a declared value of \$1,708,000. The quantity exported was 30 percent greater than in 1953. Chewing tobacco exports consist mainly of twist and plug. Australia and the Philippine Republic, the leading outlets, both took more in 1954 than a year earlier. The Panama Canal Zone and the French Pacific Islands were other outlets of some significance.

Snuff

The 1954 output of snuff was 38 1/2 million pounds--almost even with 1953. Exports of snuff are negligible and practically the entire output is consumed in this country. Consumption in 1955 is expected to hold near the level of the last 2 or 3 years. Annual production of snuff has edged downward from the postwar peak in 1949 of 40.9 million pounds. By 1953 it had dropped 5.6 percent to 38.6 million pounds. The main areas where snuff is consumed are in the South and certain areas of the Northwest.

Manufacturers' prices of snuff, as indicated by the BLS index, have been unchanged for over 4 years.

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

Exports of tobacco in 1955 are expected to be as large as and probably larger than in 1954. Total exports of unmanufactured tobacco in 1954 were 452 million pounds valued at 303 million dollars compared with nearly 519 million pounds valued at 341 million dollars in 1953. The drop from 1953 to 1954 was more than was expected earlier. Volume declined 13 percent and total value, 11 percent. The average declared value per pound in 1954 was 67.0 cents--compared with 65.7 cents in 1953. The calendar 1953 exports were high and the 1952 exports were low because a substantial shipment of flue-cured to Britain that normally would have occurred in the last half of 1952 was postponed until the first half of 1953.

In 1954 flue-cured composed 83 percent of the total unmanufactured tobacco exports and Burley and Kentucky-Tennessee fire-cured accounted for 6 1/2 and 4 3/5 percent, respectively. Flue-cured exports were 16 percent lower than in 1953 but Burley and Kentucky-Tennessee fire-cured increased 17 and 7 percent. The 1954 exports of Maryland tobacco, Green River, and Black Fat (a semiprocessed form of dark tobacco) were larger than in 1953 but there were declines for Virginia fire-cured, One Sucker, cigar wrapper, cigar binder, and cigar filler.

1/ Quantities of tobacco in this section are stated in terms of export weight, which is less than the equivalent farm-sales weight.

Table 6.- United States exports of unmanufactured tobacco, to principal importing countries, by types, for specified periods

Country and type	(Declared weight)						
	July-December						1954 as percent- age of 1953
	Average 1947-51	1952	1953	1954	1953	1954	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	
Flue-cured	388.1	319.3	444.3	373.7	267.1	258.2	97
Burley	32.9	27.0	25.0	29.3	12.6	12.6	100
Maryland	7.3	5.8	8.2	8.7	4.8	4.9	102
Va. sun-cured	---	.3	2/	.1	2/	.1	---
Va. fire-cured	6.0	4.9	4.3	3.9	2.6	2.3	88
Ky. & Tenn. "	24.6	21.8	19.5	20.9	8.5	11.3	133
One Sucker	3.1	1.5	1.0	.9	.5	.5	100
Green River	1.7	2.3	1.8	2.1	.6	1.2	200
Black Fat, etc.	4.7	3.2	3.9	4.5	2.3	2.5	109
Cigar wrapper	)	3.1	3.9	3.5	1.9	2.0	105
Cigar binder	)9.8	2.8	3.1	1.7	1.3	1.1	85
Cigar filler	)	.8	.6	.2	.4	.0	---
Perique	.1	.1	.1	.1	2/	2/	---
Stems, trimmings and scrap	8.1	3.6	3.0	2.7	1.9	1.5	79
Total	486.4	396.5	518.7	452.3	304.5	298.2	98
Country of destination:							
United Kingdom	177.8	54.7	179.7	149.8	111.1	133.3	120
France	9.0	6.7	4.7	12.6	2.3	9.8	426
Belgium	22.7	15.6	12.6	12.2	7.8	7.5	96
Netherlands	33.9	36.2	38.1	38.1	21.3	21.5	101
Germany, W. and E.	49.1	79.6	71.9	42.3	39.4	16.9	43
Portugal	8.7	5.0	6.9	7.4	2.0	2.8	140
Denmark	11.1	9.5	11.8	9.5	9.3	6.6	71
Ireland	17.7	16.4	17.5	14.1	14.9	11.0	74
Switzerland	12.7	10.7	11.9	11.7	6.4	6.7	105
Norway	7.9	7.8	7.4	7.6	4.3	4.5	105
Sweden	12.4	13.0	10.2	9.6	9.9	9.0	91
Italy	7.0	2.9	5.6	3.9	.1	.2	200
Hong Kong	5.0	3.6	4.1	3.5	1.7	1.9	112
Australia	20.3	24.0	26.7	28.2	20.9	24.0	115
India-Pakistan	8.1	5.8	2.9	3.5	1.4	1.9	136
New Zealand	5.8	5.4	5.8	6.6	2.4	2.5	104
Philippine Rep.	7.6	29.7	20.9	19.5	9.1	7.9	87
Indonesia	6.5	13.6	13.0	10.3	7.1	3.2	45
Other countries	63.1	56.3	67.0	61.9	33.1	27.0	82
Total	486.4	396.5	518.7	452.3	304.5	298.2	98

1/ Preliminary. 2/ Less than 50,000 pounds.

Compiled from publications and records of the United States Department of Commerce.

The United Kingdom (accounting for about one-third of total tobacco exports) got nearly 17 percent less tobacco in 1954 than the comparatively large 1953 figure. Calendar 1954 exports to Germany, the second-ranking outlet, were 41 percent lower than in 1953 and the smallest since 1948. Substantial exports of tobacco to Germany are expected during the first half of 1955. Netherlands, the third ranking outlet, took approximately the same in each of the last 3 years but Australia, fourth ranking outlet, took more in 1954 than in any other postwar year. Among other foreign destinations, France, Portugal, Switzerland, Norway, India, Pakistan, and New Zealand got more tobacco in 1954 than in 1953 but less went to Belgium, Denmark, Ireland, Sweden, Italy, Philippine Republic, Indonesia, Hong Kong, Japan, and Thailand.

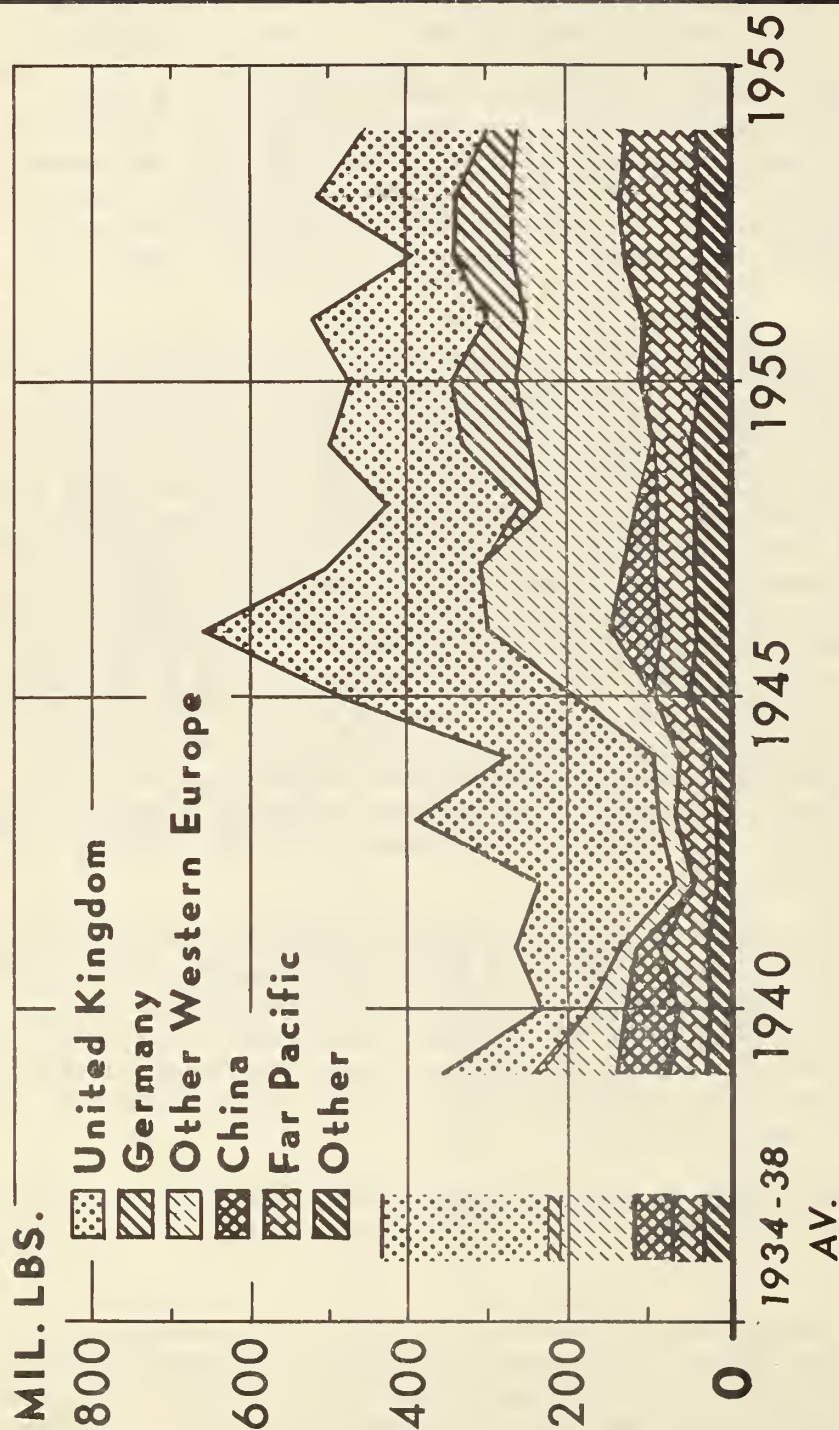
On a marketing year basis, total leaf tobacco exports for 1954-55 are likely to exceed the 458 million pounds (515 million, farm-sales weight) for 1953-54 by 5 percent and perhaps more. Gold and dollar reserves for the United Kingdom receded some from the $3\frac{1}{4}$ -year high of mid-1954, but at the end of February 1955, were 4 percent above a year earlier and substantially above 2 and 3 years ago. German gold and dollar reserves rose considerably during 1954. Foreign import restrictions have been eased by some countries. Industrial production and economic conditions of several major tobacco importing countries continued to improve or held stable through most of 1954. The operations under Public Law 480--"The Agricultural Trade Development and Assistance Act"--are expected to assist tobacco exports in the latter part of the current marketing year. This Act passed by the last Congress provides for the acceptance of foreign currencies for surplus commodities sold in excess of usual marketings. Consumption of cigarettes abroad increased significantly between 1949 and 1953 and additional gains in 1954 are indicated for several countries.

Increased tobacco production abroad is offering stiffer competition to United States grown leaf. In Southern Rhodesia, the 1954 volume of flue-cured sold was 120 million pounds--14 percent more than in 1953. Prices averaged the equivalent of $44\frac{1}{2}$ cents per pound-- $3\frac{1}{2}$ percent less than in 1953. The 1955 Southern Rhodesian crop, marketing of which will start in late March, has been affected by heavy rains and early estimates place it at about 106 million pounds.

Preliminary trade estimates indicate that the 1954-55 Indian crop of Virginia tobacco is about 100 million pounds--9 percent less than for 1953-54.

The 1954 production of tobacco in Canada is estimated at a record 186 million pounds (about 94 percent flue-cured)--34 percent larger than 1953. Exports from the 1954 crop are expected to be well above the previous year. The Flue-Cured Marketing Association of Ontario (where around 97 percent of the flue-cured is grown) agreed to a minimum average price of $42\frac{1}{4}$ Canadian cents per pound (exclusive of 2 cents per pound paid for sorting and typing). The 1953 minimum was 43 cents per pound and actual sales averaged 43.8 cents.

EXPORT MARKETS for U. S. TOBACCO



EXPORT WEIGHT OF UNMANUFACTURED TOBACCO

U. S. DEPARTMENT OF AGRICULTURE

NEG. 442-55 (2) AGRICULTURAL MARKETING SERVICE

The 1954 exports of unmanufactured tobacco from this country at 452 million pounds were 13 percent lower than in 1953. The 1953 total was boosted to some extent by shipments to Britain that were postponed from the last half of 1952 until the first half of 1953. The decrease from 1953 to 1954 is largely attributable to the smaller quantities going to Britain and Germany. Exports to other western

European countries held nearly even but to Far Pacific countries, declined slightly.

Comparing recent years with prewar, Britain has been taking considerably less United States tobacco and China has been eliminated as a market but substantially more has been going to Germany, other Western Europe, and Far Pacific countries.

Table 7.- United States exports of unmanufactured tobacco to principal importing countries, average 1934-38, annual 1939-54

(Declared weight)

Country	Average: 1934-38:		1939:		1940:		1941:		1942:		1943:		1944:		1945:		1946:		1947:		1948:		1949:		1950:		1951:		1952:		1953:		1954:	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.		
United K.	213.9	113.0	59.1	133.5	171.3	171.3	303.7	190.1	292.9	364.3	198.0	167.0	167.3	133.1	81.8	47.7	79.6	179.7	149.8															
Germany	12.8	7.0																																
Netherlands	15.6	27.7	5.2																															
Ireland	7.4	3.0	1.1	3.1	12.3		8.1	9.9	11.8	15.4	15.5	12.2	25.4	17.6	32.2	24.3	36.2	38.1	42.3															
Belgium	15.5	10.1	4.5																															
France																																		
Switzerland	21.0	20.1	16.9																															
Sweden	3.8	7.0	7.9	6.1	3.4		4.2	3.8	7.8	15.8	10.8	15.3	10.7	14.4	12.4	10.7	11.9	11.7																
Denmark	7.2	10.5	2.6	2.6	2.8		7.3	9.4	11.8	12.1	16.6	11.1	5.8	13.7	15.0	10.2	9.6																	
Norway	4.6	6.2	1.4																															
	4.7	8.0	.9																															
Portugal																																		
Italy	4.8	5.2	4.9	7.2	7.1		4.1	6.0	5.7	10.0	6.9	11.8	11.1	7.5	6.0	5.0	6.9	7.4																
Spain	1.1	.6	.7																															
Austria	5.3	1.0	.0	.0			1.3	.6	.7	.8	.0	.5	.3	.5	6.1	.9	3.7	2.9																
Finland	.3	.0	.0	.0																														
	1.1	1.2	.9	2.0	.0																													
Australia																																		
Philippine R.	18.4	22.3	11.4	11.3	10.1		32.5	25.0	22.8	17.3	24.3	19.1	19.6	18.1	20.3	24.0	26.7	28.2																
Indonesia 3/	1.2	1.8	2.3	1.6					.2	.1	2/	.2	1.1	27.1	9.5	29.7	20.9	19.5																
New Zealand	2.0	3.7	3.7	7.9	.1				.0	.4	3.3	4.4	5.4	7.4	12.2	13.6	13.0	10.3																
Hong Kong	2.5	4.7	6.2	6.4	2.1		6.4	4.6	5.9	6.4	5.3	4.0	6.2	6.5	7.1	5.4	5.8	6.6																
	1.6	2.7	4.9	14.0					.0	5.4	3.2	5.8	6.1	5.2	4.6	3.6	4.1	3.5																
India-Pak.																																		
Japan	2.6	3.8	5.4	13.8	11.4		8.8	11.1	16.1	10.6	11.4	10.1	6.9	5.5	6.1	5.8	2.9	3.5																
Thailand 4/	7.3	2/	.0	.0					.0	.0	.0	.0	.0	.0	1.9	7.4	9.5	6.7																
China	2.9	2.3	3.3	3.5	.0				.0	4.0	1.4	1.8	2.6	4.4	6.3	6.1	6.6	4.6																
Egypt	48.2	69.5	68.5	32.4	.0				.6	61.8	39.8	28.4	3.2	.3	.0	.0	.0	.0																
	1.1	1.7	3.5	4.9	4.1		2.5	5.5	6.7	3.8	3.0	1.9	6.0	4.0	3.8	3.2	5.6	5.7																
Other countries																																		
Total	30.4	25.4	20.4	19.5	12.8		14.5	14.2	40.2	30.5	37.9	32.7	36.1	28.3	32.5	30.0	35.0	34.1																
	437.3	358.5	235.7	269.8	237.5		393.4	280.2	490.4	663.2	507.3	426.6	498.2	477.6	522.1	396.5	518.7	452.3																

1/ Preliminary. 2/ Less than 50,000 pounds. 3/ Formerly Netherlands Indies. 4/ Formerly Siam.

The 1954 production of tobacco in Turkey is estimated at 212 million pounds--18 percent less than in 1953 but still above any year since 1949. The 1954 production in Greece, estimated at about 138 million pounds, is slightly larger than in 1953 and close to a postwar high. In both Turkey and Greece, dry weather restricted the outturn.

British Tobacco Situation

Almost without exception the United Kingdom has always been the first ranking foreign outlet for United States tobacco. During the last 3 years, on the average, about 28 percent of the unmanufactured tobacco exported from this country went to the United Kingdom compared with 36 $\frac{1}{2}$ percent in 1947-51 and 49 percent in 1934-38.

The quantity of tobacco used in manufactures in Britain in 1954 probably was 2 percent more than in 1953. Consumption of tobacco in Britain rose 3 or 4 percent but exports of tobacco products were down 7 percent from 1953. Approximately 42 percent of the tobacco used came from Commonwealth sources compared with 41 percent in 1953, 39 percent in 1952, and an average of 33 percent in 1949-51. The January-October 1954 gross clearances of United States flue-cured (accounting for 48 percent of all tobacco) totaled slightly less than in the same period of a year earlier but gross clearances of Southern Rhodesia and Canadian flue-cured (accounting for 19 $\frac{1}{2}$ and 9 percent) increased 5 and 13 percent, respectively. Gross clearances of flue-cured from India were practically the same in both periods. Flue-cured tobacco clearances accounted for probably over seven-eighths of that for all types combined. There were comparatively small changes in the gross clearances of Nyasaland dark fired- and air- and sun-cured tobaccos in January-October 1954 compared with January-October 1953. There was a decline in the air- and sun-cured tobaccos from India. For Oriental tobacco, there was a slight decline in that from Turkey and a sizable relative increase in that from Greece.

British exports of manufactured tobacco in 1954 totaled 41.3 million pounds of which 93 percent was cigarettes. Cigarette exports were 8 percent below 1953 and 14 $\frac{1}{2}$ percent below 1952. Exports of other manufactured tobacco increased nearly 6 percent over 1953 and nearly 15 percent over 1952. Among the leading destinations for exports of British manufactured tobacco are Singapore, Malaya, Australia, West Germany, Belgian Congo, Gold Coast, Hong Kong, Egypt, Anglo-Egyptian Sudan, and Aden. Nearly 73 percent of the total exports went to these destinations. All of the above destinations except Singapore, Hong Kong, and West Germany took less in 1954 than in 1953.

In 1954 Britain re-exported 3.8 million pounds of tobacco (almost all unmanufactured)--substantially less than the 8.9 million in 1953 and 11.8 million in 1952.

Britain imported 312 $\frac{1}{2}$ million pounds of unmanufactured tobacco in 1954--only about 3 million less than in 1953. Nearly 160 million pounds came from the United States, but this was 8 percent less than a year earlier, when shipments deferred from 1952 boosted the total. Imports from Southern Rhodesia at nearly 63 million pounds were nearly 10 percent greater than in 1953, and a record amount from that source.

Next ranking source was India with over 36 million pounds--15 percent above 1953, which was the 6-year low. Imports from Canada in 1954 were 3 percent higher than in 1953. The above countries were the major suppliers of flue-cured leaf. Imports of mainly fire- and air-cured from Nyasaland totaled 14 million pounds--over 3 million more than in 1953, which was an 8-year low. There were also increases in Oriental leaf exports from Turkey and Greece but these were small relative to total imports.

Table 8.- United Kingdom: Imports of unmanufactured tobacco by principal sources for specified periods

Period	Total imports	United States	Commonwealth countries				Total 1/	Turkey	Greece
			India	Southern Rhodesia	Nyasaland	Canada			
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average:									
1935-39	269.2	200.8	19.6	15.7	12.4	14.3	63.6	.6	.6
1940-44	240.8	168.0	17.8	20.3	13.3	7.9	61.5	3.3	1.2
1945	368.8	309.8	10.1	20.6	11.6	12.1	56.0	2.4	0
1946	432.7	365.8	17.6	23.0	10.9	9.2	62.3	3.1	.6
1947	295.6	201.2	22.9	23.0	11.9	22.2	82.1	.4	10.5
1948	280.8	172.4	22.8	43.9	14.1	12.7	97.3	10.2	.1
1949	301.2	154.1	38.4	46.4	17.8	13.0	119.0	20.0	5.8
1950	305.8	143.7	48.1	61.1	17.4	15.8	146.4	10.8	1.0
1951	354.9	212.0	40.1	50.4	16.1	21.6	131.4	3.2	1.3
1952	223.7	66.8	38.3	58.4	11.8	32.7	143.4	.6	1.2
1953 2/	315.8	174.2	31.4	57.3	10.9	24.1	126.9	2.4	.8
1954 2/	312.5	159.7	36.2	62.8	14.0	24.9	139.3	2.8	1.4

1/ Includes all Commonwealth countries. 2/ Preliminary.

Compiled from Annual Statement of Trade of the United Kingdom, 1925-48; and Accounts Relating to Trade and Navigation, 1949-54.

Stocks of tobacco in the United Kingdom at the end of November 1954 totaled 461 million pounds--4½ percent larger than a year earlier. This is equivalent to about 1.6 year's total use as measured by the approximate gross clearances in 1954--a slightly higher ratio than a year earlier. More detailed data available as of the end of October 1954 indicated that stocks of United States flue-cured at that time totaled 183 million pounds (42 percent of all tobacco) and were 2.6 percent larger than a year earlier. The October 31, 1954 stocks of flue-cured from Southern Rhodesia, India, and Canada were 90, 59½, and 29 million pounds, respectively,--totaling nearly 179 million. They were a little lower than a year earlier for flue-cured from Southern Rhodesia and Canada but larger for that from India. The October 31, 1954, stocks of dark fire-cured, air- and sun-cured from Nyasaland and India at nearly 34 million pounds and stocks of Oriental tobacco from Turkey and Greece at 8½ million pounds were both larger than a year earlier.

UNITED STATES IMPORTS AND STOCKS OF FOREIGN GROWN TOBACCO 2/

In 1954 tobacco imports for consumption in the United States totaled a record 106 million pounds--about 1 million larger than in 1953. The total value of the 1954 imported leaf was 84 million dollars--over 2 million higher than in 1953.

Cigarette leaf accounted for nearly three-fourths of the imported tobacco and the remainder was nearly all cigar tobacco. Cigarette leaf imports, at 79.3 million pounds in 1954, were 1.7 percent above 1953 and the second largest on record. The record is 81.4 million pounds in 1951. Leaf imports from Turkey, the major supplier, were down a little from 1953, but this was offset mainly by increases in the imports from Greece and Yugoslavia. Cigarette leaf imports from Greece rose 9 percent from 1953 to 1954 and were the largest since 1941. The tobacco imports from Yugoslavia, though comparatively small, have increased sharply in the last few years while that from Syria has been declining. The stocks of foreign grown cigarette and smoking tobacco on January 1, 1955, were a record 185 3/4 million pounds--2.7 percent above a year earlier.

The 1954 imports of cigar filler were nearly 5 percent below 1953 and imports of scrap declined slightly but imports of wrapper held about even. Imports from Cuba of stemmed filler fell off but unstemmed filler increased. Scrap from Cuba rose 9 percent from 1953 to 1954. Cigar filler and scrap from the Republic of the Philippines fell sharply between 1953 and 1954. The January 1, 1955, stocks of Cuban tobacco in the United States totaled near 15 1/2 million pounds--slightly lower than a year earlier. The January 1, 1955, stocks of Philippine tobacco at 1 1/2 million pounds were 17 percent below a year earlier.

Imports of wrapper from Cuba increased 13 percent from 1953 to 1954 but those from Indonesia were down 10 percent. The January 1, 1955, holdings of Sumatra and Java tobacco, not including leaf held for sale in the Free Trade Zone, were 300,000 pounds--a little above the record January low of a year earlier.

OUTLOOK AND SITUATION FOR TOBACCO LEAF

Flue-Cured, Types 11-14

Prices

The season average price received for the 1954 flue-cured crop as a whole was 52.7 cents per pound--very close to the 52.8 cents received for the 1953 crop. By individual belts, however, the price averages were notably different from 1953. In the Old (type 11-a) and Middle (type 11-b) belt markets, the price averages at 51.9 and 52.3 cents per pound rose

2/ Imports of tobacco for consumption are on a declared-weight basis and stocks are on an unstemmed-equivalent basis.

Table 9.-- United States imports for consumption of unmanufactured tobacco, from principal supplying countries, for specified periods

Classification and country of origin	(Declared weight)						
	July-December						
	Average	1952	1953	1954	1953	1954	1954 as
	1947-51		1/	1/	1/	1/	percent-
							age of
							1953
	Million	Million	Million	Million	Million	Million	
	pounds	pounds	pounds	pounds	pounds	pounds	Percent
Cigarette leaf							
Unstemmed							
Turkey	46.9	55.4	56.9	56.0	28.9	28.5	99
Greece	9.3	14.5	14.3	15.6	6.9	8.0	116
Syria	3.8	3.7	3.3	2.9	1.6	1.3	81
So. Rhodesia	1.1	.6	.3	.1	.2	2/	---
Yugoslavia	.4	.8	1.4	2.3	.6	1.1	183
Total 3/	67.2	75.9	78.0	79.3	39.4	40.3	102
Cigar leaf (filler)							
Cuba							
Stemmed	12.1	9.9	9.7	9.1	4.6	4.7	102
Unstemmed	4.4	4.0	4.4	4.7	2.2	2.5	114
Philippines, Rep.							
Stemmed	.1	1.9	2.5	2/	.3	2/	---
Unstemmed	.2	.2	2/	2/	2/	2/	---
Total 3/	16.8	16.0	14.7	14.0	7.2	7.2	100
Scrap							
Cuba	5.2	8.1	8.9	9.7	4.3	4.7	102
Philippines, Rep.	.4	1.2	2.3	1.4	1.1	.6	55
Total 3/	5.6	9.4	11.2	11.1	5.4	5.3	98
Cigar wrapper (unst.)							
Indonesia	.8	.8	.4	.4	.2	.2	100
Cuba	.3	.3	.4	.5	.2	.2	100
Total 3/	1.1	1.1	.9	.9	.5	.4	80
Total imports 4/	91.5	102.9	105.4	106.4	52.8	53.9	102

1/ Preliminary. 2/ Less than 50,000 pounds. 3/ Includes relatively small quantities from other countries not separately listed. 4/ Includes tobacco stems, not cut, ground, or pulverized, not shown separately.

Compiled from publications and records of the United States Department of Commerce.

9.9 and 5.3 cents. This was due to much better quality than in 1953 when an unusually large proportion of the deliveries was low quality tobacco. In the Eastern (type 12) and Border (type 13) belt markets, the price averages at 54.7 and 51.2 cents per pound were 2.4 and 5.5 cents lower in 1954 than the record levels of the preceding season. The long period of dry weather affected quality and also sharply reduced the volume in the South Carolina Border belt. In the Georgia-Florida (type 14) belt markets, the price average at 46.4 cents was 4.7 cents below the record level of 1953. Flue-cured tobacco in the Georgia-Florida markets is sold untied in contrast to the other belts where it is marketed tied in hands. Poorer quality tobacco was mainly responsible for the drop in average price.

The Government support level for the 1954 crop was 47.9 cents--the same as for 1953. The 1955 support level will be 90 percent of the applicable parity price. Using the February parity as an illustration, the parity price is calculated as follows:

1. The season average price for flue-cured for the most recent 10 years (1945-54) is divided by the average of the index (1910-14=100) of all prices received by farmers for the same 10 calendar years to arrive at an "adjusted base price."

$$\frac{49.3}{261} = 18.9 \text{ cents}$$

2. The "adjusted base price" is multiplied by the February parity index (the index of prices paid by farmers including interest, taxes, and wage rates--1910-14=100).

$$18.9 \times 283 = 53.5 \text{ cents per pound, the February 1955 parity for flue-cured}$$

The "adjusted base price" remains constant during a particular calendar year (in this case, 1955) but the parity price will change each month if the parity index changes. The February 1955 flue-cured parity at 53.5 cents per pound is slightly above what it was in March 1954, the basis for determining the 1954 minimum support level.

The actual support level for 1955 flue-cured will be either the minimum level announced prior to planting or 90 percent of the July 1 parity, whichever is higher.

The flue-cured placed under Government loan in connection with the 1954 price support operations totaled 130 million pounds--about 10 percent of the crop. In the 1953 season, about 12 percent of the crop went under loan. Total flue-cured in Government loan stocks at the end of January was about 345 million pounds (farm-sales weight). About 37 percent was 1954 crop tobacco; 39 percent, 1953 crop; 18 percent, 1952 crop; and nearly 6 percent, 1951 crop.

Table 10.- Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, and season average price, averages 1934-38 and 1939-43, annual 1944-54

(Farm-sales weight)							
Year	:	:	:	:	Disappearance 1/		:
	:	Production:	Stocks:	Supply:	:	:	Average
	:	:	July 1:	:	Total	Domestic	Exports
:	:	:	:	:	:	2/	2/
:	:	:	:	:	:	:	:
:	:	Million	Million	Million	Million	Million	Million
:	:	pounds	pounds	pounds	pounds	pounds	pounds
:	:	:	:	:	:	:	Cents
Average:	:	:	:	:	:	:	:
1934-38	:	741	845	1,586	704	338	366
1939-43	:	837	1,358	2,194	788	512	276
1944	:	1,087	1,189	2,276	1,150	696	454
1945	:	1,173	1,126	2,299	1,152	667	485
1946	:	1,352	1,147	2,499	1,212	659	553
1947	:	1,317	1,287	2,604	1,054	695	359
1948	:	1,090	1,550	2,640	1,102	720	382
1949	:	1,115	1,538	2,653	1,168	729	439
1950	:	1,257	1,485	2,742	1,185	757	428
1951	:	1,453	1,557	3,010	1,279	777	502
1952	:	1,365	1,731	3,096	1,244	828	416
1953 2/	:	1,272	1,852	3,124	1,209	778	431
1954 2/	:	1,334	1,915	3,249			
	:						

1/ Year beginning July 1. 2/ Subject to revision.

Supplies

The 1954-55 total supply of flue-cured tobacco at 3,249 million pounds is 4 percent larger than 1953-54. The 1955 marketing quota results in an acreage allotment of 1,009,000 acres (including reserve for adjustments). Most farms will have acreage allotments about 5 percent smaller than in 1954. In 1954 Congress amended the law to raise the penalty rate on the marketing of tobacco in excess of a farm marketing quota from 40 to 50 percent of the average market price of the preceding season. This becomes applicable to flue-cured with the 1955 crop. If yields per acre are near the average of recent years, the 1955 crop will approximate 1,270 million pounds--nearly 5 percent less than in 1954. The carryover next July seems likely to be around 2,000 million pounds--up nearly 4 percent from last July 1. Such a carryover plus a crop of 1,270 million pounds would provide a total supply for 1955-56 at 3,270 million pounds--a little above the 1954-55 level.

Domestic Use and Exports

During the current marketing year (July 1954-June 1955), the domestic use of flue-cured is expected to be around 780 million pounds or approximately the same as in 1953-54. Indications are that domestic use of leaf in the first half of the current year were close to those in the corresponding period of a year earlier despite the smaller number of cigarettes manufactured.

Exports of flue-cured may reach 470 million pounds (farm-sales weight)--about 40 million larger than in 1953-54. Operations under Public Law 480 should assist flue-cured exports in the next few months. During July-December 1954, exports of flue-cured were 3 percent less than a year earlier. The United Kingdom, accounting for about one-half of the total, got nearly 20 percent more than in the same period of a year earlier. For the next five most important outlets, flue-cured exports were sharply less to Germany, up moderately to Netherlands and Australia, but smaller to the Philippine Republic and Ireland. Other important destinations taking less in July-December 1954 than in July-December 1953 were Indonesia, Denmark, Japan, Finland, Thailand, Portugal, Indochina, Switzerland, and Austria. Belgium, New Zealand, and Egypt got roughly the same amounts in both periods. On the other hand, larger quantities went to Sweden, Norway, India, Pakistan, Hong Kong, France, Spain and British East Africa than in the comparable period of a year earlier.

Burley, Type 31

Prices

The Burley markets opened on November 30 and by early February, deliveries were virtually completed. Sales data indicate that the 1954 crop was the largest on record--probably 18 percent above 1953 and 2 percent above the previous record crop in 1952. The 1954 season average price preliminarily estimated at 49.6 cents per pound was $5\frac{1}{2}$ percent lower than the record 1953 crop average. About 66 percent of the total volume was marketed prior to the usual holiday recess compared with 56 percent a year earlier. Most averages for individual grades were lower than in the 1953 season.

The 1954 support price was 46.4 cents per pound--one-fifth of a cent lower than in the 1953 season. The 1955 support level will be 90 percent of the applicable parity price.

Through 1955, the legislation provides that for basic commodities the parity price shall be the higher figure which results from calculations based on either the "new" formula or the "old" formula (the method in use prior to 1950). Between 1950 and 1954 in the months when price support determinations were made for Burley tobacco, the "new" formula provided a higher figure than the "old" formula and hence, the parity and price support in effect were the result of the application of the "new" formula. Based on the calculations for February 1955, the "old" formula yields a higher figure than "new" and therefore, is the February parity for Burley. The two methods are illustrated with February data below.

Old Formula

1. The 5 season average price, 1934-38, of Burley is the base price and does not change from year to year.

22.2 cents per pound

2. The base price is multiplied by index of prices paid by farmers (August 1934-July 1939=100). In accordance with the legislation, interest, taxes, and wage rates are not included in calculations of this index:

22.2 X 231 = 51.3 cents per pound, the
February 1955 parity for Burley

New Formula

1. The season average price for Burley for the most recent 10 years (1945-54) is divided by the average of the index (1910-14=100) of all prices received by farmers for the same 10 calendar years to arrive at an "adjusted base price."

$$\frac{47.1}{261} = 18.0 \text{ cents}$$

2. The "adjusted base price" is multiplied by the February parity index (the index of prices paid by farmers including interest, taxes, and wage rates--1910-14=100).

18.0 X 283 = 50.9 cents per pound

The "adjusted base price" under the "new" formula remains constant during a particular calendar year (in this case, 1955) but the parity index can change each month. From one year to another, the "adjusted base price" may change since it reflects changes in successive 10-year averages for (1) Burley prices and (2) all prices received by farmers.

The February 1955 Burley parity at 51.3 cents per pound is slightly less than what it was in March 1954, the basis for determining the 1954 minimum support level.

The actual support level for 1955 Burley will be either the minimum level announced prior to planting or 90 percent of the October 1 parity, whichever is higher.

The Burley placed under Government loan in connection with the 1954 price support operations totaled 222 million pounds-- about one-third of the crop. This was the largest amount and the largest proportion from any Burley crop that has gone under loan. In the 1953 season, about 18 percent went under loan and in both 1952 and 1951, about 16 percent. Burley tobacco in Government loan stocks reported at the end of January totaled about 445 million pounds (farm-sales weight); 50 percent, 1954 crop tobacco; 23 percent, 1953 crop; 15 percent, 1952 crop; 12 percent, 1951 crop; and less than one-half of 1 percent, 1950 crop.

Table 11.- Burley tobacco, type 31; Domestic supplies, disappearance, and season average price, average 1934-38 and 1939-43, annual 1944-54

(Farm-sales weight)							
Year	Production	Stocks, Oct. 1	Supply	Disappearance Total	Domestic Exports	Average price per pound	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Average:							
1934-38	287	701	988	314	302	12	22.2
1939-43	369	737	1,106	376	368	8	30.0
1944	591	651	1,242	483	474	9	44.0
1945	577	759	1,336	483	448	35	39.4
1946	614	853	1,467	526	476	50	39.7
1947	485	941	1,426	524	496	28	48.5
1948	603	902	1,505	531	489	42	46.0
1949	561	974	1,535	535	494	41	45.2
1950	499	1,000	1,499	518	488	30	49.0
1951	618	981	1,599	538	506	32	51.2
1952	650	1,061	1,711	548	519	29	50.3
1953 2/	564	1,163	1,727	529	494	35	52.5
1954 2/	3/665	1,198	1,863				49.6

1/ Year beginning October 1. 2/ Subject to revision. 3/ Estimated producers' sales.

Supplies

The total 1954-55 supply of Burley is about 1,863 million pounds--8 percent larger than for 1953-54 and above any previous year. The total supply figure is about 50 million pounds larger than estimated in late December. The sales volume indicates the 1954 crop was around 665 million pounds--over 100 million pounds larger than in 1953 and a record high. The large 1954-55 Burley supply is about 3.45 times prospective disappearance compared with ratios of 3.26 in 1953-54, 3.12 in 1952-53, and 2.97 in 1951-52.

Based on the marketing quota announced in late November, the 1955 allotted acreage may total about 370,000 acres after allowing for special provisions applying to small allotments and reserves for adjustments. This would be about 7 percent below the 1954 allotted acreage. Individual farm allotments will average about 10 percent less than in 1954 except that in accordance with the law, the farms with a Burley allotment of seven-tenths of an acre or less are not reduced. Except for the exempt group, Burley acreage allotments have been cut each year since 1952--10 percent from 1952 to 1953, 8 percent from 1953 to 1954, and 10 percent from 1954 to 1955. The average for all Burley allotments is comparatively small, and in 1955 about 64 percent of the allotments are down to seven-tenths of an acre or less.

Revised estimates of the 1954 harvested acreage and yields per acre will be published by the Crop Reporting Board on May 10. The 1954 yield per acre was undoubtedly sharply higher than 1953 and substantially above the 1952 record.

If 1955 harvested acreage should be about the same as 1954 allotted acreage and yields per acre approximate the average for 1952 and 1953 (about 1,375 pounds), the 1955 crop would be near 510 million pounds. If the 1955 yield per acre should be 1,525 pounds (apparently 1954 easily exceeded this), the present allotted acreage would produce about 565 million pounds. Planting in excess of the allotments would further raise the 510 to 565-million pound range.

The carryover next October 1 seems likely to be about 1,325 million pounds--up by more than 10 percent from October 1, 1954. Total supply for 1955-56 based on the production possibilities stated above may range between 1,835 and 1,890 million pounds compared with the 1954-55 level of about 1,863 million.

The already ample Burley supply has been aggravated by the approximately 18 percent increase in production from 1953 to 1954 despite the 8 percent cut in allotted acreage. This is a matter of serious concern to growers, their Congressional delegations, and administrative officials. A joint hearing is being held by the subcommittees for tobacco of the Senate and House Agriculture Committees to consider possible changes in legislation. United States Department of Agriculture officials testified on March 3 and producer groups are to be heard on March 10.

Domestic Use and Exports

During the current marketing year (October 1954-September 1955), domestic use of Burley is expected to approach 500 million pounds--roughly the same as in 1953-54. Exports of Burley seem likely to range between 35 million pounds--the 1953-54 total--and 40 million pounds (farm-sales weight). In the first quarter of the 1954-55 marketing year, Burley exports lagged behind those in the corresponding quarter of a year earlier. German and Swedish takings were sharply below a year earlier but Belgium, Netherlands, and the Philippines got practically the same in both periods. The first quarter 1954-55 exports of Burley to France were substantial in contrast to none in the same period of a year earlier. Also Mexico and Switzerland got more but less went to Portugal, Norway, Egypt, Denmark, and Finland than in the same period of 1953-54.

Maryland, Type 32

Prices

Maryland tobacco auctions usually begin before mid-May of the year following harvest and continue until sometime in August. Around one-tenth of the Maryland crop is sold at the Baltimore hogshead market. For the 1953

crop which was mostly sold in 1954, the average price received by growers was 54.5 cents per pound--12 percent more than a year earlier and the highest in 8 years. The Government support level for the 1953 crop was 50.4 cents per pound. The larger 1954 crop (5 percent above 1953) and increased carryover (up 4½ percent from a year earlier) will tend to hold this year's price average below last season. Government support will not be available for the 1954 crop since growers disapproved a marketing quota on that crop. Also, the 1955 crop that will be marketed in the spring and summer of 1956 will not receive Government price support since less than the legally required 66 2/3 percent of the growers voting, favored quotas in last December's referendum.

When the 1953 crop was being marketed in 1954, about 6.7 million pounds of Maryland tobacco--one-sixth of the crop--was placed under Government loan. Total Maryland tobacco in Government loan stocks at the end of January was 13 million pounds (farm-sales weight). About 48 percent was 1953 crop tobacco; 34 percent, 1950 crop; 7 percent, 1949 crop; and 11 percent, 1948 crop.

Supplies

The 1954 crop estimated at 42.5 million pounds plus the carryover of 68.4 million pounds on January 1 provides a total supply 3/ of 110.9 million pounds. This is around 5 percent larger than for each of the 2 previous years.

If in 1955, Maryland growers should have a total acreage and yields per acre that are near the recent 5-year averages, this year's crop would approximate 41 million pounds. Although this would be 3½ percent less than the 1954 crop, the carryover next January 1 probably will exceed that of January 1, 1955, and next year's total supply might be a little larger than that for the current year.

Domestic Use and Exports

Domestic use of Maryland tobacco during October 1953-September 1955 may reach 30 million pounds--a little more than the seemingly low 1953-54 figure. For the first quarter of 1954-55, domestic use was about even with that of the same period of 1953-54.

3/ In 1952, the Congress amended the Agricultural Adjustment Act of 1938 to provide that for the purposes of marketing quotas and, when in effect, the sliding scale price supports, the carryover and total supply of Maryland tobacco would be computed on the basis of January 1 following the beginning of the marketing year instead of on the basis of October 1, as previously. Inasmuch as the definition of the marketing year, itself, was not changed, statistical table 12 indicates disappearances in the usual way, on the October-September basis.

Table 12.- Maryland tobacco, type 32: Domestic supplies, disappearance, and season average price, averages 1934-38 and 1939-43, annual 1944-54

Year	Production	Stocks, Oct. 1	Production plus Oct. 1 stocks	Disappearance 1/			Average price per pound	Stocks following Jan. 1 3/
				Total	Domestic 2/	Exports 2/		
	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Cents	Mil. lbs.
Average								
1934-38	27.5	41.3	68.8	26.5	21.1	5.4	19.7	38.4
1939-43	29.1	49.2	78.3	28.3	26.1	2.2	37.2	43.2
1944	38.2	45.2	83.4	31.2	28.8	2.4	55.5	37.6
1945	18.4	52.2	70.6	30.3	24.2	6.1	57.0	46.5
1946	46.2	40.3	86.5	34.0	28.3	5.7	44.5	32.4
1947	37.8	52.5	90.3	34.3	27.0	7.3	42.8	44.9
1948	35.0	56.0	91.0	37.0	27.7	9.3	54.4	46.9
1949	41.2	54.0	95.2	35.4	28.0	7.4	48.3	45.5
1950	40.0	59.8	99.8	35.5	27.1	8.4	48.2	53.4
1951	41.6	64.3	105.9	33.3	26.7	6.6	44.8	59.3
1952	40.2	72.6	112.8	40.2	32.4	7.8	48.8	64.9
1953 2/	40.5	72.6	113.1	36.4	28.4	8.0	54.5	65.4
1954 2/	42.5	76.7	119.2					68.4

1/ Year beginning October 1. 2/ Subject to revision. 3/ Public Law 464--82nd Congress (an amendment to previous Agricultural legislation) provides that for the purposes of marketing quotas and when in effect, the sliding-scale price support, the carryover and total supply of Maryland tobacco shall be computed as of January 1 following the beginning of the marketing year--defined as the October-September 30 period.

Exports of Maryland tobacco are expected to be at least as large in 1954-55 as the 8 million pounds (farm-sales weight) in 1953-54. In the first quarter of the current marketing year, they ran well ahead of those in the same period of a year earlier. For 1953-54 as a whole, Swiss takings of Maryland tobacco were down 8 percent from 1952-53 but in the first quarter of 1954-55, they took nearly 2 1/4 million pounds--83 percent more than in the first quarter of 1953-54. Also more went to Spain, Belgium, and Netherlands but less to Germany and Tunisia. Yugoslavia was the second ranking foreign outlet for Maryland tobacco in 1952-53 and 1953-54 but none was recorded as going there in the first quarter of 1954-55.

Fire-Cured, Types 21-23

Prices

Auctions for Virginia fire-cured, type 21, began in late November and final cleanup sales were held in mid-February. The auction average price was 34.5 cents per pound--about 1 cent less than in the 1953 season. Auctions for Kentucky-Tennessee fire-cured began on January 10 for type 22, Eastern District, and on January 7 for type 23, Western District. The quality of marketings was much improved over last season when there was much poor quality tobacco. Through late February, the average price received for type 22 was 39.8 cents per pound--6.2 cents above the 1953 season average. The type 23 average price was 32.0 cents per pound--4.8 cents above the 1953 season average. The 1954 price support level for types 21-23 was 34.8 cents per pound--one-fifth of a cent lower than in the preceding season.

The 1955 crop of fire-cured tobacco will receive Government price support, as provided by law, at 75 percent of the Burley loan level which is calculated at 90 percent of the Burley parity. The February 1955 Burley parity was slightly less than it was in March 1954, the basis for determining the 1954 minimum support level for Burley.

During the season just ending, growers of Virginia fire-cured placed about 2.1 million pounds--almost one-fifth of deliveries--under Government loan. This was considerably more than in the 1953 season when only about 7 percent went under loan. Through late February, Kentucky-Tennessee growers placed under Government loan about 2 1/2 and 2 million pounds of types 22 and 23--7 and 15 percent, respectively, of total deliveries. For type 22, this was the smallest volume and percentage of the crop to go under loan in the last 9 seasons. The total fire-cured tobacco reported in Government loan stocks at the end of January amounted to about 49 1/2 million pounds (farm-sales weight). Roughly 3 million pounds of the 1954 crop loans are not in the January total. Taking this into account, Government loan stocks of tobacco are about 12 1/2 percent, 1954 crop tobacco; 13 percent, 1953 crop; 14 1/2 percent, 1952 crop; 9 percent, 1951 crop; 17 percent, 1950 crop; and the remaining 34 percent from the 1946-49 crops.

Supplies

The 1954-55 total supply of fire-cured tobacco is probably a little over 195 million pounds--nearly the same as for 1953-54. The sharp increase in production in 1954 over the drought-reduced 1953 crop approximately offset the 12 million-pound decline in carryover from 1953 to 1954. A substantial drop in manufacturers' and dealers' stocks of type 22 fire-cured tobacco occurred during 1954.

In 1955 allotments for types 21-23 total 50,662 acres and for most farms, will be 10 percent smaller than in 1954. Taking into account the probable percentage of total allotment that will be planted and recent average per acre yields (omitting the severe drought year, 1953), the 1955

production of types 21-23 may be around 55 million pounds--9 percent lower than 1954. A crop of this size, together with a carryover of probably near 129 million pounds next October 1, would provide a 1955-56 total supply of 184 million pounds--roughly a 5-percent decrease from the 1954-55 level.

Table 13.- Fire-cured tobacco, types 21-24: Domestic supplies, disappearance, and season average price, averages 1934-38 and 1939-43, annual 1944-54

(Farm-sales weight)							
Year	Production	Stocks, Oct. 1	Supply	Total	Disappearance 1/ Domestic 2/	Exports 2/	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Average:							
1934-38:	110.2	194.2	304.4	123.0	53.2	69.8	10.2
1939-43:	82.4	165.2	247.6	74.9	53.5	21.4	14.9
1944	66.1	173.5	239.6	107.8	43.9	63.9	24.5
1945	58.3	131.8	190.1	85.2	37.6	47.6	31.5
1946	108.9	104.9	213.8	70.4	36.0	34.4	26.0
1947	86.4	143.4	229.8	67.2	36.9	30.3	29.5
1948	73.2	162.6	235.8	77.9	34.7	43.2	31.9
1949	72.2	157.9	230.1	65.2	36.5	28.7	29.8
1950	58.3	164.9	223.2	76.0	36.7	39.3	31.2
1951	59.5	147.2	206.7	59.8	32.2	27.6	40.0
1952	58.2	146.9	205.1	58.8	29.6	29.2	37.6
1953 2/	48.9	146.3	195.2	61.2	32.9	28.3	33.8
1954 2/	60.5	134.0	194.5				37.7

1/ Year beginning October 1. 2/ Subject to revision.

Domestic Use and Exports

During the October 1954-September 1955 marketing year, domestic use of fire-cured tobacco is expected to be 33 million pounds--practically the same as in 1953-54. Use of snuff, the major domestic outlet, seems likely to remain stable during the current year.

The 1954-55 exports may approximate 30 million pounds (farm-sales weight)--a little larger than in each of the previous 3 years. During the first quarter of 1954-55, exports of Kentucky-Tennessee fire-cured (over four-fifths of total fire-cured exports) were 5 1/2 percent larger than in the comparable period of a year earlier. Netherlands, Belgium, France, French Africa, Belgium Congo, and Indonesia took more but less went to Switzerland, Germany, Denmark, Portugal, and Gold Coast. In the

first quarter of 1954-55, France took nearly 1 million pounds of Kentucky-Tennessee fire-cured in contrast to none in the same period of 1953-54, but French takings later in 1953-54 were comparatively heavy. France was the top-ranking foreign destination in 1953-54--accounting for 28 percent of the total exports for these types.

Exports of Virginia fire-cured in the first quarter of 1954-55 were 23 percent smaller than in the corresponding quarter of a year earlier. Much less went to Norway, the leading outlet for this type, but that to Sweden, the second ranking outlet, held about even. Also less went to Switzerland and Australia but that to Netherlands increased sharply.

Dark Air-Cured and Sun-Cured, Types 35-37

Prices

Auctions for One Sucker (type 35), Green River (type 36), and Virginia sun-cured (type 37) began about the first week of December and practically all of each crop was sold by the first week of February. In each case, volume exceeded the previous season's and quality was considerably above that of a year earlier. Prices for the Kentucky-Tennessee types 35 and 36 averaged 34.0 and 34.3 cents per pound--7.8 and 11.6 cents above a year earlier. The type 35 average price was the second highest on record and the type 36 average price was a record high. Prices for approximately 50 to 60 percent of the individual grades declined but for the remainder, they were higher than or about the same as a year earlier. Quality of types 35 and 36 was the best for several years in contrast to 1953 when quality was the poorest for several years. The 1954 season average price for Virginia sun-cured was 32.1 cents per pound--about two-fifths of a cent above 1953.

For types 35-37 combined, the 1954 season average was about 34.1 cents per pound--well above the 25.9-cent average for the 1953 crops. The 1954 price support level for types 35-37 was 30.9 cents per pound--one-fifth of a cent less than in the preceding season.

The 1955 crops of Kentucky-Tennessee dark air-cured and Virginia sun-cured will receive Government price support, as provided by law, at 66 $\frac{2}{3}$ percent of the Burley loan level which is calculated at 90 percent of the Burley parity. The February 1955 Burley parity was slightly less than it was in March 1954, the basis for determining the 1954 minimum support level for Burley.

During the season just ended, growers placed under Government loan about 5.0 million pounds of One Sucker, 2.2 million pounds of Green River, and comparatively minor quantities of Virginia sun-cured. These loan quantities represented about 25 and 19 percent, respectively, of total deliveries of One Sucker and Green River--the smallest proportions to go under loan in 4 seasons. The dark air-cured tobacco in Government loan stocks at about the end of January totaled nearly 42 million pounds (farm-sales weight). About 17 percent was 1954 crop tobacco; 17 percent, 1953 crop; 21 percent, 1952 crop; 15 percent, 1951 crop; and the remaining 30 percent, from the 1947-50 crops.

Supplies

Based on the volume marketed and carryover, the 1954-55 estimated total supply of types 35-37 is about 109 3/4 million pounds--nearly 4 percent larger than 1953-54. The increase from 1953 to 1954 in production resulting from greater yields per acre more than offset the decline in carryover.

Table 14.- Dark air-cured and sun-cured tobacco, types 35-37: Domestic supplies, disappearance, and season average price, averages 1934-38 and 1939-43, annual 1944-54

Year	(Farm-sales weight)						
	Production	Stocks, Oct. 1	Supply	Disappearance 1/		Average price per pound	
				Total	Domestic	Exports	
					2/	2/	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Average:							
1934-38	35.5	62.8	98.3	39.0	27.0	12.0	9.4
1939-43	36.7	65.1	101.8	36.4	31.9	4.5	13.9
1944	44.9	57.7	102.6	42.2	35.9	6.3	23.3
1945	43.6	60.4	104.0	43.6	30.5	13.1	25.2
1946	49.6	60.4	110.0	37.3	29.7	7.6	22.5
1947	37.2	72.7	109.9	32.7	26.3	6.4	25.8
1948	34.8	77.2	112.0	37.5	22.7	14.8	28.7
1949	36.2	74.5	110.7	29.9	23.1	6.8	28.2
1950	28.6	80.8	109.4	36.4	25.6	10.8	24.6
1951	31.7	73.0	104.7	30.1	21.5	8.6	34.3
1952	33.8	74.6	108.4	29.3	22.7	6.6	31.6
1953 2/	26.6	79.1	105.7	29.9	22.8	7.1	25.9
1954 2/	3/34.0	75.8	109.8				34.1

1/ Year beginning October 1. 2/ Subject to revision. 3/ Estimated producers' sales.

In 1955, allotments for types 35-36 total about 20,950 acres and for most farms will be 10 percent smaller than in 1954. The type 37 allotments total about 5,750 acres and are about the same as in 1954. Taking into account the probable percentage of the total allotments that will be planted and recent average per acre yields (adjusted for extreme lows for some years), the 1955 production of types 35-37 may be around 32 million pounds--6 percent less than the volume marketed in the recent season. If 1955 production should be about 32 million pounds and the carryover next October 1 is near 78 million pounds, as seems probable, then the 1955-56 total supply would be 110 million pounds--practically the same as for the current year.

Domestic Use and Exports

During the October 1954-September 1955 marketing year, domestic use of dark air-cured tobacco is expected to approximate 23 million pounds--practically the same as in 1953-54. Plug, twist, and fine-cut chewing tobacco absorbs most of the dark air-cured tobacco used in domestic manufacture and relatively small quantities may be used for cigars.

The 1954-55 exports of these types may total 8 million pounds--up some from 1953-54. About 45 percent of 1953-54 exports of dark air-cured tobacco was in the form of Black Fat--a semiprocessed form. In the first quarter of 1954-55, exports of Black Fat were one-third larger than in the same period of a year earlier. There were increases to Nigeria, Gold Coast, and French West Africa--the three leading outlets. Exports of Green River leaf were larger in the first quarter of 1954-55 than in the comparable period of 1953-54. A substantial shipment went to France in contrast to none a year previous but much less went to Netherlands and none was recorded for the United Kingdom, the leading outlet in 1953-54 and 1952-53. Exports of One Sucker leaf in the first quarter of 1954-55 were below a year earlier, mainly because of the sharply smaller shipments to Nigeria. Netherlands got a little less but Belgium took more than in the first quarter of 1953-54.

Cigar, Types 41-62Prices

Sales of cigar tobacco are generally made at the "barn door" during the fall and winter. The 1954 Pennsylvania filler (type 41) sold at an average price of about 27.3 cents per pound compared with 27.5 cents for the 1953 crop. Connecticut Valley Broadleaf (type 51) probably averaged a little lower than the 58.5 cents for the 1953 crop since some was damaged by hail and hurricane. Undamaged Broadleaf prices brought close to last year's prices. The 1954 Connecticut Valley Havana Seed (type 52) crop had a substantial proportion of "stemming" tobacco due to hail and hurricane and its price average will be considerably less than the 54.9 cents for the previous season. Through the end of February, about 402,000 pounds of 1954 Broadleaf and 3,362,000 pounds of Havana Seed had been placed under Government loan.

Marketings of Wisconsin binder types began during the first half of January. Through February 27, Northern Wisconsin (type 55) prices averaged around 34 cents per pound--slightly above the comparable period of 1953. Prices for the binders group at near 47 cents per pound averaged a little less than a year earlier but they constituted a larger proportion of total sales. For the Southern Wisconsin (type 54), the overall average was about 24 cents--slightly lower than in the comparable period of last season. About three-fourths of Southern Wisconsin tobacco sold as straight stripped and crop lots at prices averaging slightly higher than last season, but that sold as binders had a little lower price average and constituted a smaller proportion of the total sales than in the previous season. Through the end of February, about 1,084,000 pounds of type 54 had been placed under Government loan.

The 1955 crops of the continental cigar filler and binder tobacco **except type 41**, Pennsylvania Seedleaf, will be supported at 90 percent of the applicable parity. No price support can be made available on type 41 since growers rejected a marketing quota. The price support for the Puerto Rican crop is usually announced in early October since there the crop is planted late in the year and harvested and sold in the first half of the following year.

The quantity of cigar tobacco under Government loan or in CCC inventories at the end of January was about 13 million pounds--6.4 million, type 54 (Southern Wisconsin); 4.2 million, type 52 (Connecticut Valley Havana Seed); 1.6 million, type 55 (Northern Wisconsin); 659,000 pounds, type 51 (Connecticut Valley Broadleaf); and 162,000 pounds, types 42-44 (Ohio filler). The above January 1 totals do not yet include about 1 million pounds of type 54, .4 million pounds of type 51, over .3 million pounds of type 52, and some type 55 tobacco from the 1954 crops that were subsequently placed under loan.

Supplies

Filler: The 1954-55 total supply of continental filler types 41-44 is 180½ million pounds--over 3 percent below 1953-54 and the smallest on record. An 11-percent drop in carryover was partly offset by the increase in production in 1954 over the low 1953 figure. The Department of Agriculture and Commerce of Puerto Rico estimates the 1954-55 Puerto Rican tobacco crop at 32 million pounds--6 percent lower than for 1953-54. Harvested acreage is expected to be about 8 percent less but yields per acre may be a little larger than last year. On January 1, stocks of Puerto Rican held by dealers and manufacturers were about 10 percent larger than a year earlier. Of the 41½ million-pound total, 69 percent was in the United States and the rest in Puerto Rico.

Table 15.- Shipments of tobacco from Puerto Rico to the United States for specified periods

(Declared weight)						
Classification	Average	Average	1952	1953	January-November	
	1934-38	1947-51			1953	1954
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
	lb.	lb.	lb.	lb.	lb.	lb.
Stemmed	17.4	10.0	14.6	11.1	8.3	12.2
Unstemmed	.1	.7	.6	.9	.9	.7
Scrap	5.0	6.1	6.5	4.1	3.6	4.8
Total	22.5	16.8	21.7	16.2	12.8	17.7

Compiled from publications and records of the United States Department of Commerce.

Table 16.- Cigar tobacco, types 41-55: Domestic supplies, disappearance, and season average price, averages 1934-38 and 1939-43, annual 1944-54

Type and year	(Farm-sales weight)				Average price per pound
	Production	Stocks, Oct. 1	Supply	Disappearance: year beginning October 1	
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Filler types 41-44					
Average:					
1934-38 1/	48.9	159.9	208.8	54.4	10.4
1939-43 1/	60.0	154.1	214.0	59.3	13.6
1944	54.6	145.4	200.0	57.1	19.5
1945	45.4	142.9	188.3	59.5	34.0
1946	57.3	128.8	186.1	63.9	32.8
1947	60.6	122.2	182.8	59.1	30.6
1948	68.3	123.7	192.0	60.1	25.8
1949	65.4	131.9	197.3	53.5	26.2
1950	65.7	143.8	209.5	52.1	25.2
1951	63.0	157.4	220.4	59.4	19.6
1952	44.5	161.0	205.5	59.0	25.2
1953 2/	40.4	146.5	186.9	57.1	26.1
1954 2/	50.7	129.8	180.5		
Binder types 51-55 3/					
Average:					
1934-38	41.8	165.1	206.9	60.5	12.5
1939-43	59.8	130.6	190.4	61.4	19.7
1944	57.7	108.5	166.2	63.9	30.9
1945	63.5	102.3	165.8	62.3	47.7
1946	74.1	103.5	177.6	53.9	52.7
1947	69.4	123.7	193.1	67.3	43.4
1948	60.5	125.8	186.3	63.1	41.2
1949	61.7	123.2	184.9	49.8	36.0
1950	65.0	135.1	200.1	57.6	35.8
1951	49.8	142.5	192.3	57.5	38.1
1952	47.0	134.8	181.8	56.6	38.6
1953 2/	47.4	125.2	172.6	52.8	44.7
1954 2/	47.0	119.8	166.8		

1/ Includes small quantity of type 45. 2/ Subject to revision.

3/ Includes small quantity of type 56 through 1948.

Binder: The 1954-55 supply of binder types 51-55 is 167 million pounds--3 1/3 percent lower than for 1953-54 and the smallest in 7 years. The total supply of Connecticut Valley Broadleaf (type 51) at nearly 45 million pounds has been comparatively stable for the past 5 years. The 1954-55 total supply of Havana Seed (type 52) at 35 1/3 million pounds has decreased gradually from the 40 million-pound postwar peak in 1950-51. The 1954-55 total supply of Wisconsin type 55 at nearly 46 1/2 million pounds was 4 percent lower than a year earlier and 22 percent below the postwar peak in 1950-51. The 1954-55 total supply of Wisconsin type 54 at about 38 1/3 million pounds is 5 percent lower than a year earlier and 28 percent smaller than the high level of 1950-51. The supply of the relatively small New York and Havana Seed at 1.8 million pounds has declined steadily during the postwar period.

If growers of the binder types plant a moderately larger proportion of their acreage allotments this year and yields per acre are near the recent 5-year average, the 1955 production would be about 50 million pounds--5 or 6 percent larger than in 1954. Carryover of the binder types next October seems likely to be around 115 million pounds and together with a 50 million-pound crop, would provide an approximate total supply of 165 million pounds for 1955-56. This would be 2 million less than the 1954-55 level.

Table 17.- Cigar wrapper tobacco, types 61-62: Domestic supplies, disappearance, and season average price, averages 1934-38 and 1939-43, annual 1944-54

(Farm-sales weight)					
Type and year	Production	Stocks, July 1	Supply	Disappearance year beginning July 1	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Wrapper types 61-62:					
Average:					
1934-38	8.4	11.8	20.2	9.3	78.3
1939-43	10.0	12.5	22.6	9.2	108.7
1944	11.3	14.3	25.6	10.9	196.1
1945	11.2	14.7	25.9	12.3	209.0
1946	12.5	13.6	26.1	12.7	234.0
1947	13.5	13.4	26.9	12.4	296.0
1948	15.1	14.5	29.6	13.0	274.0
1949	17.3	16.6	33.9	14.5	201.0
1950	15.5	19.4	34.9	14.9	203.0
1951	14.9	20.0	34.9	13.7	194.0
1952	14.7	21.2	35.9	16.6	198.0
1953 1/	14.8	19.3	34.1	15.9	202.0
1954 1/	16.3	18.2	34.5		

1/ Subject to revision.

Wrapper: The 1954-55 total supply of domestic shade-grown cigar wrapper types 61-62 is nearly $34\frac{1}{2}$ million pounds--slightly higher than for 1953-54 but less than for each of the preceding 3 years. The 1954 crop in the Connecticut Valley was about 5 percent less than a year earlier, but the Georgia-Florida crop was substantially larger than the 7-year low of 1953 so that on a combined basis, the 1954 wrapper crop at 16.3 million pounds was the second largest on record. The carryover last July 1 at 18.2 million pounds was 6 percent less than a year earlier and the smallest in 5 years. The January 1, 1955, stocks held by dealers and manufacturers at nearly 16 million pounds for type 61 were about one-fourth million pounds less than a year earlier and for type 62, at nearly 9.8 million, were practically the same as a year earlier.

Disappearances

The disappearance of the Pennsylvania and Ohio filler during the October 1954-September 1955 marketing year is expected to be approximately the same as the 57 million pounds in 1953-54. Most of the filler is used in cigar manufacture in this country. Exports were only about one-quarter of a million pounds in 1953-54 and no exports were recorded in the first quarter of 1954-55.

The total disappearance of the binder types during the October 1954-September 1955 marketing year may be around 54 million pounds--a little above the 1953-54 figure, which was 4 or 5 million pounds lower than in each of the 3 previous years. Around 95 percent of all binder types combined is used in this country mostly for cigars but a sizable quantity, for scrap chewing tobacco. Exports of binder types declined from 3.9 million pounds (farm-sales weight) in 1952-53 to 2.1 million in 1953-54, mostly because there were no shipments of Wisconsin tobacco to East Germany in 1953-54 in contrast to over $1\frac{1}{2}$ million pounds in 1952-53. Also less went to West Germany, Belgium, and Netherlands. Between 1952-53 and 1953-54, exports of Broadleaf, Havana Seed, and Wisconsin tobacco declined 8, 24, and 81 percent, respectively. In the first quarter of the 1954-55 marketing year, exports of Broadleaf and Havana Seed were sharply lower than in the first quarter of 1953-54. Much less Havana Seed and Broadleaf went to West Germany but sizable quantities of Wisconsin tobacco went to West Germany and Switzerland and some to East Germany. Much smaller shipments of Havana Seed and Broadleaf were made to Belgium and Netherlands than in the comparable period of a year earlier.

Sale of Export Grades of Georgia-Florida Wrapper

An innovation in marketing export grades of Georgia-Florida wrapper took place during February 21-25 at Stapleton, Staten Island, New York. Some packers and growers made available samples for examination during the first few days. Then on the final day, bids were submitted and sales were made to the top bidder. About 700,000 pounds were offered for sale and nearly all of it was sold. The sale was patterned on the inscription method long in use in Amsterdam and Rotterdam in the Netherlands. Some dealers in this country and several buyers from Europe attended. Purchases were made through registered tobacco brokers. The tobacco was sold f.o.b. warehouse, Florida-Georgia.

Table 13.- Acreage of tobacco in the United States, by class and type, annual 1951-54, and percentages

Class and type	1951	1952	1953	1954	Percentage change 1953 to 1954
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Percent
Old and Middle Belt, type 11	396.0	397.0	359.0	369.0	2.8
Eastern North Carolina, type 12	356.0	356.0	331.0	334.0	.9
South Carolina, type 13	224.0	224.0	207.0	212.0	2.4
Georgia and Florida, type 14	134.1	134.3	124.8	127.2	1.9
Total flue-cured, types 11-14	1,110.1	1,111.3	1,021.8	1,042.2	2.0
Virginia, type 21	10.0	9.8	9.9	10.1	2.0
Kentucky and Tennessee, type 22	28.2	28.2	28.3	29.3	3.5
Kentucky and Tennessee, type 23	10.8	9.4	10.1	11.8	16.8
Total fire-cured, types 21-23	49.0	47.4	48.3	51.2	6.0
Burley, type 31	456.1	463.5	419.7	403.7	-3.8
Maryland, type 32	53.0	50.0	45.0	50.0	11.1
One Sucker, type 35	15.0	14.9	14.8	13.7	-7.4
Green River, type 36	8.0	8.0	7.5	7.1	-5.3
Virginia sun-cured, type 37	3.5	3.4	3.7	4.2	13.5
Total dark air-cured, types 35-37	26.5	26.0	26.0	25.0	-3.8
Pennsylvania Seedleaf, type 41	34.6	23.0	24.0	26.0	8.3
Miami Valley, types 42-44	4.9	5.7	4.7	4.6	-2.1
Total cigar filler, types 41-44	39.5	28.7	28.7	30.6	6.6
Connecticut Valley Broadleaf, type 51	8.7	9.3	8.4	8.0	-4.8
Conn. Valley Havana Seed, type 52	6.6	5.8	6.2	6.2	0
N. Y. and Pa. Havana Seed, type 53	.6	.5	.4	.2	-50.0
Southern Wisconsin, type 54	6.9	5.7	4.8	5.1	6.2
Northern Wisconsin, type 55	8.9	9.4	9.5	9.9	4.2
Total cigar binder, types 51-55	31.7	30.7	29.3	29.4	.3
Conn. Valley Shade-grown, type 61	8.4	8.0	7.9	8.2	3.8
Ga. and Fla. Shade-grown, type 62	5.2	5.1	4.4	4.8	9.1
Total cigar wrapper, types 61-62	13.6	13.1	12.3	13.0	5.7
Louisiana Perique, type 72	.4	.4	.3	.3	0
Total all types	1,779.9	1,771.4	1,631.4	1,645.4	.9

1/ Preliminary.

Table 19.- Tobacco manufactures: Net sales, net income, and profit ratios, annual 1947-53, by quarters 1952-54

Year and quarter	Net sales	Profit					
		Net income		Per dollar of sales		As percentage of stockholders' equity (annual basis)	
		Before Federal tax	After Federal tax	Before Federal tax	After Federal tax	Before Federal tax	After Federal tax
		Million dollars	Million dollars	Million dollars	Cents	Cents	Percent
1947	2,641	178	109	6.7	4.1	16.6	10.1
1948	3,081	257	159	8.3	5.2	22.0	13.7
1949	3,061	250	156	8.2	5.1	20.2	12.6
1950	3,129	281	152	9.0	4.9	21.3	11.5
1951	3,329	294	129	8.8	3.9	21.8	9.6
New series 1/							
1951	3,378	295	129	8.7	3.8	21.7	9.5
1952	3,702	285	120	7.7	3.2	19.8	8.4
1953	3,768	338	138	9.0	3.7	22.9	9.4
1952							
1	846	61	25	7.2	3.0	17.7	7.3
2	919	69	28	7.5	3.0	19.1	7.7
3	978	80	33	8.2	3.4	21.9	9.0
4	959	75	34	7.8	3.5	20.5	9.3
1953							
1	875	65	28	7.4	3.2	17.9	7.7
2	940	90	35	9.6	3.7	24.5	9.5
3	992	97	39	9.8	3.9	26.1	10.5
4	961	86	36	8.9	3.7	23.0	9.6
1954							
1	846	72	34	8.5	4.0	19.1	9.0
2	932	81	38	8.7	4.1	21.3	10.0
3	970	93	44	9.6	4.5	24.1	11.4

1/ Although not strictly comparable to the series previously published for the years 1947-51, the differences disclosed by comparing the new series with the old series for the year 1951 are relatively minor.

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